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EXTRACT

FROM

THE CANADIAN PARLIAMENTARY DEBATES

OF THE

FIFTH SESSION, 1872,

Taken from the Record belonging to the Library of Parliament—Toronto MAIL's Report of May 28th, 1872—Page 162.

"Hon. Mr. LANGEVIN said the western terminus had not been decided upon, cause they had not determined on the exact route, and proceeded to explain, in reply to the remarks of the member for Victoria, when

"Mr. DECOSMOS said the question he wished to put was whether, in case the engineers and the Government decided that the railway shall reach the Pacific at some point on Johnson's Straits, the Government would undertake to construct a line of railway from that point to Esquimalt?

"Mr. LANGEVIN replied that the Northern Pacific Railway ended at Puget Sound, and the competition which that line will make with the Canadian Pacific Railway renders it desirable to select a terminus that will put us in the best possible position for competition with the American railways. If it should be decided that we can cross Seymour's Narrows or Johnson's Straits with a railway train, there can be no doubt that the interests of British Columbia and the Dominion as a whole will be better served by adopting that route. It will give us a good harbour on the Pacific, and place us in the best possible position with the American railways. If a railway bridge cannot be built over Seymour's Narrows or Johnson's Straits, the question will be to see whether a ferry cannot be maintained to carry across. Mr. Waddington's name had been mentioned in the public documents that gentleman published before his death. He argued very strongly in favour of a steam ferry across Johnson's Straits. He thought that one bridge might be built, but for the larger reach a ferry might be necessary. The next point was whether, if practicable, the railway should be taken to Burrard's Inlet. He had no doubt that the Government would consider it necessary to bring the railway to that point. The object was to bring the railway to the nearest point on the Pacific, and the nearest point to compete with the American railways, but it has not yet been decided whether a proper crossing can be obtained at Seymour's Narrows. Examination and surveys are now going on.

"Mr. DECOSMOS said the explanation was quite satisfactory in one respect, but he wanted to know whether the Government was prepared, in case the railway should start at Burrard's Inlet, to construct a branch line from Victoria to Nanaimo, and in case they take the Straits whether they will cause a line to be constructed along the east coast?

"Mr. LANGEVIN replied that the intention of the Government was to go to Esquimalt, but, of course, if it was impracticable they could not go, and should the railway be carried to Burrard's Inlet, a ferry will be established and a line will be carried to Esquimalt as part of the railway.

"Mr. DECOSMOS expressed himself perfectly satisfied with the explanation made."

Certified to be a correct extract,

A. TODD,

Librarian of Parliament.

PROVINCIAL LIBRARY,
VICTORIA, B. C.

E. & N.
Section
C. P. R.
with Ferry.
See pages
45, 79, 173.
Terminus.

Extracts from the "Daily British Colonist," Victoria, B.C., Friday, July 18th, 1873.

"CANADIAN PACIFIC RAILWAY.—THE FIRST STAKE DRIVEN.

"Mr. Marcus Smith, accompanied by Mr. Tiedeman, C.E., and members of the Local Government, proceeded to Esquimalt yesterday and drove the first stake for the location survey of the railroad from Esquimalt to Nanaimo. The stake was driven at the S.E. corner of the dockyard fence, and a flag hoisted thereon. The health of the Canadian Pacific Railway was drunk in a flowing bumper of champagne. The stake was driven to obtain a 'sight.' The location of the terminus will be at Constance Cove, it is thought, and it was reported last evening that Hon. Dr. Helmcken, the Pacific Director, will turn the first sod to-morrow."

Saturday, July 19th, 1873.

"LOCATING THE RAILWAY.—THE FIRST SOD.

"Yesterday the engineers were engaged in continuing the location survey. Commencing at the 'Toe' of Canada, immediately outside of the arsenal, they swept round Constance Cove, the proposed site of the dry dock. Of course all this is a mere dry—one might almost say *empty*—formality to meet technical obligations of Treaty. With respect to the ceremony promised for to-day—"turning the first sod," we regret our inability to make any definite statement. If the ceremony be performed quietly this afternoon, we will only give expression to general public opinion when we say we are sorry the ceremony could not have taken place under circumstances somewhat more befitting the occasion. We confess that we are at a loss to account for the apparent mystery and doubt overhanging what ought to have been the subject of timely announcement and mature arrangement. Surely, surely the public, after so many weary years of waiting and struggling, ought to have been afforded a suitable opportunity of participating in the important and interesting ceremony of 'turning the first sod' of the Canadian Pacific Railway. Yet here we are on the morning of what is supposed to be the long and most anxiously-looked-for day, and nobody knows 'what's what, or who's who.' Why is this thus? If we might venture to guess we should say that the ceremony will be performed at Constance Cove at 2 o'clock to-day. But—*quiensabe.*"

Sunday, July 20th, 1873.

"THE TERMINUS LOCATED.

"The terminus of the Canadian Pacific Railway was located yesterday. It is at the north-west corner of the fence which surrounds the Admiral's residence at Thetis Cove, and is marked by one of the posts of the fence, on which is written 'C.P.R.S., July 19, 1873.' Mr. Smith, with his force, yesterday cut a broad trail through the bush and saplings for a distance of several hundred yards, driving stakes at short intervals. The terminus is on the Indian Reserve, which comprises a large tract of land lying adjacent to the Admiral's residence and Thetis Cove, a very pretty, safe and commodious bay in Esquimalt Harbour. It is supposed that the Company will take the Indian Reserve, and that lands in another part of the harbour will be allotted to the Indians. No 'sod' was turned, unless by some of the visitors by way of a 'lark.' And we learn that a telegram was received from Ottawa in the morning that the commencement of the location survey, on or before the 20th July, is considered as keeping the Terms of the Treaty of Union."

Time limit to
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EXTRACT from *Mr. Mackenzie's Speech to the Electors of Lambton, November 25, 1873, from the Toronto "Globe" of November 26, 1873.*

MR. MACKENZIE. * * * One of the matters which will be brought up will be the Pacific Railway matter. You are aware that during the discussion of the Bill I objected to the provision to complete the railway within ten years. Nearly three years of that time have passed, and we are bound by the contract to finish it within seven years and three months. I have always thought that a speedy means of communication across the continent was necessary for the good of settlement, and for the purpose of opening up the districts where we have great riches undeveloped in the bosom of the earth. Without that communication their development cannot take place, and emigration cannot be expedited. It will be the duty of the Administration, in the first place, to secure a means of communication to our navigable waters, from Lake Superior to Fort Garry and the Rocky Mountains, at the same time commencing at the Pacific Ocean and construct-

ing communication by the western slope. In the meantime, communication would be afforded in conjunction with the American lines until we have means sufficient to accomplish the work. If we once have these regions accessible—that is British Columbia and the North-West Territory—we can afford then to spend money upon the construction of the other portions of the road, which will be necessary to complete our great national highway across the continent; and I think, Sir, it will be the duty, as it will be the desire, of the Government to develop any plan by which these results are to be accomplished. I merely make this statement in general terms, regarding the policy of the Administration; but I may also add that I hope we shall be able to devise means by which this can be accomplished at a very much less cost than was contemplated by the late company of Sir Hugh Allan. (Cheers.) * * *

EXTRACT from *Sir John A. Macdonald's Speech, delivered at Kingston, Ont., January 10, 1874, from the Toronto "Mail" of January 12, 1874.*

Sir JOHN then referred to Mr. Mackenzie's Pacific Railway policy, which he maintained was a breach of a solemn contract entered into with British Columbia and the Imperial Government. In this Mr. Mackenzie commits, for the first time in Canada, a breach of the public faith. The original contract says that the railway was to be commenced within two years and completed in ten, and that it was to be built through Canadian territory. For this breach of faith, British Columbia has a right to secede, for this was one of the conditions of Confederation. The Queen and the Imperial Parliament would not allow that breach of faith, and, as honor reigned supreme in the Imperial Parliament, they would repudiate the idea of having a hand in

causing the breach. The road, as proposed by Mr. Mackenzie, would only be a summer road, as Lake Superior would be closed in winter, but he says it would be a great saving. There are 1,300 miles which he would not require to build, and so he would save sixty millions. My Government got a pledge from England that they would endorse bonds for four and a half million sterling to build the road. We would build no railway for the United States as Mr. Mackenzie wanted, and we would have no hermaphrodite system of transport carrying away the great produce of the West from Canada. (Cheers.) They would have to give up that policy or give up British Columbia and the endorsement of England. * * *

Imperial Guarantee \$4,500,000.

Breach of contract.

* B. Columbia Right to secede.

** First time commits breach of public faith.

† Queen and Imperial Government would not allow that breach of faith.

**EXTRACT from "Mr. Mackenzie's Manifesto to the Electors of Lambton,"
from the Montreal "Herald" of January 12, 1874**

Date of com-
mencement of
C.P.R. and date
of completion,
already broken.

We must meet the difficulty imposed on Canada by the reckless arrangements of the late Government, with reference to the Pacific Railway, under which they pledged the honor and resources of the country to the commencement of that gigantic work in July, 1873, and to its completion by July, 1881. That compact has already been broken. Over a million has now been spent in surveys, but no part of the line has yet been located, and the bargain is, as we always said it was, incapable of literal fulfilment. We must, therefore, endeavour to arrange with British Columbia for such a relaxation of its terms as may give time for the completion of the surveys and the acquisition of the information necessary to an intelligent apprehension of the work, and for its subsequent prosecution with such speed, and under such arrangements, as the resources of

the country will permit without too largely increasing the burthen of taxation on the people. In the meantime, with a view to obtain a speedy means of communication across the continent, and to facilitate the construction of the railway itself, it will be our policy to utilize the enormous stretches of magnificent water communication which lie between a point not far from the Rocky Mountains and Fort Garry, and between Lake Superior and French River on the Georgian Bay, thus avoiding for the present construction of about 1,300 miles of railway estimated to cost from sixty to eighty millions of dollars, and rendering the resources of the country available for the prosecution of those links of the Pacific Railway which are necessary in order to form a complete line of rail and steamboat communication from east to west.

EXTRACTS from Mr. Mackenzie's Speeches, delivered May 12th and 19th, 1874, on the Canadian Pacific Railway, from Scrap-Book of "Parliamentary Debates, Canadian Dominion, 1st Session, 3rd Parliament, 1874, Library of Parliament (Toronto 'Globe' Report), pp. 105, 106, 107, 128."

Duty to carry
out obligations.

MR. MACKENZIE (Page 105). * * *

The duty is imposed upon the Government of providing some scheme for carrying out the obligations imposed by the solemn action of Parliament in this place. The original scheme, Sir, was one that I opposed at the time of its passage here, as one that in my mind then seemed impracticable within the time that was proposed, and impracticable, I may say also, with the means proposed to be used to accomplish it. I have not changed that opinion; but being placed here in the Government, I am bound to endeavor, to the utmost of my power, to devise such means as may seem within our reach to accomplish, in spirit if not in the letter, the obligations imposed upon us by the treaty of Union, for it was a treaty with British Columbia. * * *

Treaty of Union
with B. C. was a
treaty.

(Page 106). We had to undertake to vindicate the good faith of the country, and do something which would enable this Parliament to carry out, in spirit if not in letter, the serious undertaking of building this railway as far as the shore of British Columbia. The legal terms are exact. We are bound within a specific time, to construct a road to connect with the railway system of Ontario on the east to the Pacific coast on the west. (Mr. Bunster, hear, hear.) There is a moral obligation beyond the legal obligation. * * * (Page 107). These, Sir, are the chief difficulties that present themselves to our minds, and these are the facts relating to the question of the obligations which the Parliament is bound to carry out in order to maintain the good faith of the country. It there-

fore rests with the Government to take such measures as they think necessary in order to carry out as nearly as may be in spirit, if not in letter, the resolutions adopted by the late Parliament. Under these circumstances the present Government assumed office. With all these facts staring us in the face, we could not but be aware, and we were quite aware, that the difficulties to be surmounted were of an extraordinary character.* We were quite aware that British Columbia claimed that the terms of Union were already violated. The right hon. gentleman opposite gave it as his opinion—and I have a very great regard for his opinion upon legal questions generally—that the work of construction was commenced when the surveys were commenced. Whether he was correct or not, I do not think it necessary to say at the present moment.† It will be remembered that a surveyor was sent by the Government of the right hon. gentleman to Esquimalt at a critical moment to drive in some stakes, in order to make it appear as if this were a commencement of the work * * * We propose, then, in these resolutions to ask the House to agree to this general proposition. In the first place we have to ask for complete power to proceed with the construction of the road under the terms of the Union with British Columbia, because we cannot throw off that obligation except with the consent of the contracting parties, and we are therefore bound to make all the provision that the House can enable us to make to endeavour to carry out in the spirit, and, as far as we can, in the letter, the obligations imposed on us by law. We ask, therefore, for power to accomplish this, if it can be accomplished, and at the same time we propose to divide the road into several sections, one from Nipissing westward to Nipigon, a distance of 557 miles. This is a section which we do not consider at all necessary or desirable to proceed with at the present time. It is not one that in any way involves in spirit the obligations entered into with British Columbia if it should be allowed to stand for the time. * * * The British Columbia section will, of course, have to be proceeded with as fast as we can do it, as

it is essential to keep faith with the spirit, and as far as possible with the letter, of the agreement. (Hear, hear.)

* * * May 19th, page 128. Why did the hon. gentleman and his colleagues engage in this scheme when British Columbia did not ask it? (Hear, hear.) British Columbia proposed reasonable terms, which would have been agreed to unanimously, but the Government said: "You do not ask half enough. Spend a million a year after the surveys are completed to make a road. We will do far more; we will make a road from water to water, from end to end of this country, and to Esquimalt, 250 miles further than we are bound to go; we will do it all within ten years, and will bind ourselves by a solemn declaration of Parliament that this shall be accomplished." Were ever heard such a set of lunatics commanding a majority in any Parliament? (Cheers.) It was a piece of madness, it was a piece of deliberate treason to the country. * *

Essential to keep good faith.

[From Scrap Book (Toronto Mail Reporter), pp. 92, 93, 94].

MR. MACKENZIE (page 92) said he would endeavour to confine himself, as much as possible, to a simple business statement in submitting the resolutions of which he had the honor to give notice to the House. The duty was imposed upon the Government of providing some scheme for carrying out the obligation imposed upon the country. The original scheme was one which he opposed at the time of its passage. It seemed to him to be utterly impracticable, he had not changed that opinion; but, being placed in the Government, he was bound to begin, to the utmost of his power, to devise such means as might accomplish in spirit, if not in letter, the obligation imposed upon them by the treaty of Union with British Columbia. * * * * The incoming Administration were under a peculiar difficulty in the matter. They had to vindicate the good faith of the country. They had to undertake to do something that would enable Parliament to carry out and build this railway as a part of the pledge to British Columbia. They were bound within a specified time to construct a road com-

Government bound to find means to build the Railway, and vindicate the good faith of Canada.

Pledge to B.C.

* B. C. claimed Terms of Union had been violated. † Locating line at Esquimalt, 1873.
‡ Consent of B. C. necessary to throw off Railway obligation.

necting with the railway system of Ontario to the seaboard of the Pacific. There was a moral obligation beyond the legal obligation. * * * Before proceeding further he desired to advert to the additional obligations assumed by the right hon. gentleman opposite. He was aware they were bound by the term of the Union to reach the seaboard of the Pacific. That was whenever they could touch the water of the Pacific, there the obligations ended.

Macdonald
Govt. 1873
fixed the
Terminus at
Esquimalt.

The late Government undertook—why, he did not know—they undertook that the terminus should be placed on the southern extremity of the Island of Vancouver. This added about 240 miles to the obligation already existing, and that was not all. They happened to know, and he thought it was known at the time the Order in Council was passed, but he did not take it as entirely binding on the country, but one which they had to regard from the point of view he would present to the House presently. * * * (Page 93) Under these circumstances the present Government assumed office with all this staring them in the face. They were quite aware that the difficulties to be surmounted were extreme, and they were quite aware that the terms of the agreement with British Columbia had been violated. Under these circumstances he thought that, in the meantime, the first stage to be taken was to confer with the Local Government of the Province of Columbia, and endeavour to ascertain from them if any means could be arranged by which an extension of time could be procured for the prosecution of the works we were bound to undertake. With that view a gentleman was sent as representative of this Government to visit that Province, and in the course of his communications with the Local Government it became very apparent, as had been made apparent in the House by several members of the House from the Island of Vancouver, that it was an exceedingly important matter with them to have the road commenced at once at Esquimalt, traversing the Island. He for one was quite willing, if the Local Government were disposed to make some terms for the extension of time, that the Government should undertake the construction of the land

portion as rapidly as possible; but if it became apparent that the Local Government were determined to adhere to the whole terms, then the Dominion of Canada could accede to the terms and nothing more. They had instructed Mr. Edgar to say that the Government would be prepared to immediately undertake the commencement of the work upon the Island traversing northwards towards the point of crossing, prosecuting the surveys on the mainland, getting a passable route along the ridge, and erecting telegraph lines. He was also instructed to state that, as the works could be placed under contract, they would spend no less than \$1,500,000 within the Province on the railway. He did not know whether this had been accepted or not, but under any circumstances they should have authority to proceed with the work, as they thought it would meet with the just expectations of the country and the reasonable expectations of the people of British Columbia. The policy he had announced in his election address in November last had been closely criticized by hon. gentlemen opposite. He had his own impression as to the course to be pursued, and he thought, if he recollected rightly, that the right hon. gentleman opposite had said that if his views were adopted British Columbia would be justified in seceding from the Union. He had endeavoured to make matters as unpleasant as possible by making this statement, but he (Mr. Mackenzie) had a better opinion of the people of British Columbia than to think they would adopt the extreme views of a desperate party leader. * *

* * * The terms of Union with British Columbia could not be done away with without the consent of the contracting parties, and this Government were bound to carry out in their spirit and in their letter, so far as possible, the obligations imposed by law; and the Government asked power to accomplish the work. * * * This, then, left somewhere about six or seven hundred miles to a point in British Columbia, to which there were other means of access than by railway. The distances which he had given were all approximate; but allowances having been made for bends, etc., he believed this statement would

MR. MACKENZIE.

not be very far from the truth. From the point he had mentioned to the Pacific Ocean navigation, was about one hundred miles. This latter section would be prosecuted at once. In British Columbia alone would be spent \$35,000,000. Surveys were now being prosecuted by four different parties. One was going along the Cascade range to ascertain the best route for penetrating to the ocean. At present the most available route appeared to be by Bute Inlet. If we looked to connection with Vancouver Island, the shortest route to take would be by the Fraser River to terminate at Burrard Inlet, which was from fifty to sixty miles shorter than by Bute Inlet. The engineering difficulties were more favourable on the Cascade range where there were good gradients; but *via* Bute Inlet the grades were as much as 115 to the mile of a descent. Still, if no better route presented itself this summer, this would most likely be adopted. It was not proposed to adopt any route without a proper survey. These should be thorough surveys, and no time would be gained by proceeding without them. He knew the people of British Columbia were impatient to have the road, but it was impossible to give it without first knowing its best route. It was perfectly easy for him to send men to Bute Inlet to grade a road in order to keep within the terms of the Act; but he scorned deception. It would be a mistake in the interest of British Columbia to commence the road, and a year after several millions of dollars had been spent, to find that there was a much more favourable route. Such an occurrence as this would be a source of everlasting regret. * * *

He drew attention to the difficulties in the Province of British Columbia west of the Rocky Mountains, where the plateau rises to a higher level on the verge of the Pacific than even the mountains themselves. The country through which the road would pass in British Columbia was almost entirely uninhabited, and contained unknown cliffs, most dangerous cascades and large rivers. The Government felt that it would not be justified in going on with the road without completing the survey, but were not prepared to go through the sham of driving

stakes, to induce the belief that the road was being gone on with. He believed the road should go on in such a way as would ensure final success. The Government did not want merely a trick, but it looked to a commercial railway. He had faith that, with a road properly laid out, the vast mineral riches of British Columbia and the adjoining country would be developed. He hoped to see traffic, even in his own lifetime, which would make the road a success. * * * (Page 94.) There was one point, however, that he desired to say a word or two about, more in explanation of what had taken place in British Columbia than for any defence or explanation of the Government policy. It would have been observed that there had been a good deal of excitement, not to say commotion, in the Province of British Columbia. He explained that since he had been in the Government, representatives from British Columbia had assured him that under a guarantee for ten years of the interest on £100,000 sterling at five per cent., their dock scheme would be an entire failure. They had submitted to him a new proposal which he understood had been submitted to his predecessors, that the Government should give them the terms submitted to Parliament, which he hoped would be approved. This might have been a matter which would influence the British Columbians in agreeing to a change, in terms of the Pacific policy, but that he had ever had a word to this end with the member for Victoria, he would utterly deny. There had been no word on this subject between them from first to last, and no talk as to the modification of terms of Union. The Government was prepared to do what was right and just in the public interest. Another proposition, which had been made to the Government, was that \$900,000 be allowed for internal improvements. This it was proposed to allow, it being the amount on which the Province was entitled to receive interest. A measure would be submitted to Parliament to carry out this object. Neither of these matters had anything to do with any modification of the terms of Union, in so far as the Pacific Railway was concerned. But he expected that British Columbia

Sham of driving stakes.
Government did not want merely a trick

would agree to any reasonable proposition which the public interest required, whether it related to the terms of

Union or not. The Government were unable to carry out the terms of Union of 1871. * * * * *

EXTRACTS from the Speeches of Mr. Tupper and Mr. Mackenzie, delivered May 19, 1874, on the Canadian Pacific Railway, from Scrap-Book of "Parliamentary Debates, Canadian Dominion, 1st Session, 3rd Parliament, 1874, Library of Parliament (Toronto 'Mail' Report), pp. 109, 110, 111."

DR. TUPPER. * * * (Page 109). All parties who expect to see this country the home of a great British nationality, must look with anxiety to the construction of this road. It was felt that the Union with British Columbia would not be productive of all the good results expected from it, if it was unattended by the means of communication. This subject had engaged the attention of the late Government, and subsequently of Parliament, and he believed the course which was adopted commended itself to the general approval of all. * * * (Page 110). When British Columbia entered the Dominion this railway was the main subject of discussion, and the decision was guarded by reservations that it was not to press too heavily upon the people of the Dominion.* He quoted from the Votes and Proceedings of the House on the 11th April, 1871, in which it was resolved that the railway should be built by private enterprise, aided by grants of land and money, this being one of the terms of Union.† This being the case, no one would expect that any steps would be taken other than to carry out the arrangement to the best of their ability. * * * * * He would have supposed that the Premier had been

mis-reported, if he had not seen the telegram from the Premier a month later to the Hon. Mr. Walkem, Attorney General of British Columbia, in which he said our Pacific Railway policy is foreshadowed in my Lambton speech. There was every appearance that the late Government's scheme would have been successful. * * * The Finance Minister had brought down already an amount of a million and a-half for expenditure this year on British Columbia alone. If this were not the case, the Railway Bill was a fraud and a snare, and was never intended to be carried out. * * *

MR. MACKENZIE. (Page 111.) The delegates* never met with a particle of success. Why did the hon. gentleman and his colleagues ever engage in this project? Why did they engage to British Columbia that they would build this railway when British Columbia never asked for it? British Columbia asked for terms in which this Parliament concurred unanimously, and which they were all willing to accede to; but the hon. gentleman was determined to give them more than they wanted. * * *

* Sir Hugh Allan's delegation to London.

* Taxation not part of terms of Union.

† No such provision in terms of Union.

EXTRACTS from the Speeches of Senators Campbell and Scott, delivered May 23, 1874, on the Canadian Pacific Railway, from Scrap-Book of "Parliamentary Debates, Canadian Dominion, 1st Session, 3rd Parliament, 1874, Library of Parliament (Toronto 'Globe' Report), p. 144."

HON. MR. CAMPBELL. * * * * *
(Page 144). It might be that the late Government were blameable in agreeing to carry out so great an enterprise in ten years, but everybody knew that the making of such a bargain with British Columbia was like entering into a similar arrangement with a person who was going to become a partner the next day; and no doubt, if fair progress had been made with the road in ten years, and it had been seen that an attempt had been made to carry out the scheme in good faith, the people of British Columbia would be perfectly content though the road was not completed in the time stipulated.
* * *

HON. MR. SCOTT. * * * * *
* * * The Government desired to open the great North-West to settlement, but at the same time they wished the people of British Columbia to understand that they were anxious to

carry out the terms of Union with them as soon as possible. (Laughter by Mr. Carroll.) He saw the hon. gentleman smiled, but a confidential agent had been sent to British Columbia by the Government, and when the papers came down the liberality of the terms proposed to that Province by the Government would perhaps be a matter of surprise. * * *

(From Scrap Book, Toronto Mail Report.)

MR. CAMPBELL. * * * (Page 122). He contended that the engagement of the late Government with British Columbia, to construct the road in ten years, had been made in good faith, and that, if they had found that they really were unable to complete the work in that time, British Columbia would have made no complaint, provided that fair progress had been made with the road. * * *

* B. C. a partner. Terms are Articles of Partnership; Railway Articles of Partnership repeatedly violated; by Canada.

EXTRACTS from the "Debates of the House of Commons of the Dominion of Canada, on Canadian Pacific Railway. Vol. I.—Session, 1875."

HOUSE OF COMMONS.

Friday, 5th March, 1875.

THE PACIFIC RAILWAY.

On Item 72, \$6,250,000, for Pacific Railway.

HON. MR. MACKENZIE * * * * *
(Page 503). Last year we took an estimate altogether, as will be seen, of about two and a-half millions of dollars. At that time we were quite uncertain what arrangements might be made with British Columbia. We proposed at that time, it satisfactory arrangements could be made with that Province for an extension† of time in

accordance with the negotiations entered upon, to proceed immediately with the construction of the road from Esquimalt to Nanaimo; and in that case a very large expenditure would have been necessary, as we should have done a very large proportion, including the rails of that portion of the road, within the financial year. These arrangements, however, fell through; and although an ultimate arrangement was reached by which that work will be prosecuted after this, at that time there was nothing to justify us in refusing to make such preparations as might be needed in the event of our coming to some terms with that Province. The result, therefore, of last

† Extension of time. Conditions of constructing Esquimalt.—Nanaimo portion of C. P. R. Large proportion of that portion to be done in 1875-6 (financial year). This shows no sufficient cause for delay then.

year's operations was practically this—we expended up to the first of this month \$356,000 upon works in connection with exploratory and instrumental surveys. * * *

HON. MR. TUPPER (Page 506).—Will the First Minister be kind enough to say what engagements have been made with British Columbia?

HON. MR. MACKENZIE.—I intend to go back upon that as an entirely separate branch of the subject. * * *

• HON. MR. MACKENZIE * * * (Page 510). We accordingly advertised for steel rails. * * * They will be delivered at Montreal. Guest & Co., Liverpool, will deliver 5,000 tons at \$34 per ton; * * * and Naylor, Bergeon & Co., will deliver 5,000 in the same manner at \$51.10, these latter rails being intended for shipment to British Columbia. * * * The hon. gentleman has inquired in regard to the arrangements made with British Columbia, and I observe that my hon. friend beside me (Mr. Blake) has placed a question on the paper as to the course we propose to pursue in Parliament in relation to it. It will be observed by every one who has read the correspondence that the practical results obtained are these: after Mr. Edgar returned from British Columbia, Lord Carnarvon made an offer by telegram to arbitrate in the matter between the Dominion and the Province of British Columbia. We declined any arbitration as there was nothing to arbitrate upon; but we were quite willing, as was stated in the Minute of Council, to leave His Lordship to say whether the Dominion had not offered what was, under the circumstances, the most reasonable and fair terms that could be expected. (Page 511) Our views were, generally speaking, adopted by Lord Carnarvon, but he suggested certain things that might be done. It will be remembered that we offered, through Mr. Edgar, without at all committing ourselves to Esquimalt as the ultimate end of the railway, to construct the railway from Esquimalt to Nanaimo, and as there would be no serious difficulty in locating the line, we were willing to proceed with the construction of it at once—that is last year; and that we would prosecute the surveys on the

mainland with all due despatch consistent with a proper regard for public interests; and further that we would expend the sum of not less than one and a-half million of dollars per annum within the boundaries of that Province until the road should be completed. These terms, I may say, were declined, or rather they were not considered; but an issue was raised on the point as to whether Mr. Edgar was authorized to offer them or not. I, therefore, terminated the negotiations by directing Mr. Edgar to return, and leaving it to the Government of British Columbia to make any other proposals that they thought proper, we holding ourselves prepared to consider any proposition that might be made. Lord Carnarvon, as will be seen by the despatches in the papers, considered that the grounds we took were quite reasonable; but he thought, on the other hand, that it would be more satisfactory to the Province, and that the Province might reasonably expect to have a definite period named for the completion of the line, and he put the case in his letter of the 17th November in this way (page 511):

Carnarvon terms.

"Adhering, then, to the same order in which, on the 16th August, I stated the principal points on which it appeared to me that a better understanding should be defined, I now proceed to announce the conclusions at which I have arrived. They are:

"1. That the railway from Esquimalt to Nanaimo shall be commenced as soon as possible, and completed with all practicable despatch.

"2. That the surveys on the mainland shall be pushed on with the utmost vigor. On this point, after considering the representations of your Ministers, I feel that I have no alternative but to rely, as I do most fully and readily, upon their assurances that no legitimate effort or expense will be spared, first, to determine the best route for the line, and, secondly, to proceed with the details of the engineering work. It would be distasteful to me, if, indeed, it were not impossible to prescribe strictly any minimum of time or expenditure with regard to work of so uncertain a nature; but happily, it is equally impossible for me to doubt that your Government will loyally do its best in every way to accelerate the completion of a duty left freely to its sense of honor and justice.

"3. That the wagon road and telegraph line shall be immediately constructed. There seems here to be some difference of opinion as to the special value to the Province of the undertaking to complete these two works; but after considering what has been said, I am of opinion that they should both be proceeded with at once, as indeed is suggested by your Ministers.

"4. That \$2,000,000 a year, and not \$1,500,000, shall be the minimum expenditure on rail-

5,000 tons
rails for
Esquimalt—
Nanaimo
Railway.

Mackenzie's
views were
Carnarvon
terms.

Canada offers
to construct
E. & N. Rail-
way at once
in 1874.

HON. MR. MACKENZIE.

* \$1,500,000 to be expended yearly in Province as soon as surveys are completed.

† Carnarvon deemed proposal reasonable.

‡ No wagon road built and very little telegraph.

† But more satisfactory to define

Accepted terms, 1874.

Relies on Parliament to support. Carnarvon Terms.

Canada able to keep Carnarvon Terms.

way works within the Province from the date at which the surveys are sufficiently completed to enable that amount to be expended on construction. In naming this amount I understand that, it being alike the interest and the wish of the Dominion Government to urge on with all speed the completion of the works now to be undertaken, the annual expenditure will be as much in excess of the minimum of \$2,000,000 as in any year may be found practicable.

"6. Lastly, that on or before the 31st December, 1890, the railway shall be completed and open for traffic from the Pacific seaboard to a point at the western end of Lake Superior, at which it will fall into connection with existing lines of railway through a portion of the United States, and also with the navigation on Canadian waters."

So that the terms recommended by Lord Carnarvon, and which we have accepted, are simply these, that instead of one and a-half millions we propose to expend two millions a year with the Province of British Columbia, and we propose to finish the railway connection through that Province and downward to the point indicated by the year 1890, being an extension of time of nine years.† With respect to the question raised by my hon. friend from South Bruce, I may say that I have nothing to ask from Parliament. We have no authority to obtain, but have merely to communicate to Parliament this decision, and rely upon the House supporting us in accepting the terms that have been made through the intervention, or intermediation of Lord Carnarvon, and that support I do not doubt will be cheerfully accorded. * * *

(Page 512. And while we still adhere to the policy we formerly intimated of, at least for years, utilizing the water communications at various points, we shall always endeavor to proceed with the work as fast as the circumstances of the country—circumstances yet to be developed—will enable us to do, so as to obtain as soon as possible complete railway communication with the Pacific Province. How soon that time may come I cannot predict; but I have no reason to doubt that we shall be able to keep our obligation to British Columbia as now amended, without seriously interfering with the march of prosperity. There is no doubt, however, that it will place a serious responsibility upon the country, and we shall therefore proceed with the caution we have always advocated, whether from this side of the House or from that. * * * (Page

513.) We have taken \$500,000 for expenditure between Esquimalt and Nanaimo. We hope to be able to locate that route early in the summer and place it under contract; a very large portion of the year may be utilized for work upon that route, and there is nothing, I think, to hinder the construction being carried on during the whole of next winter up to the time we meet here again. We have also taken a sum of \$250,000 for possible work upon the mainland of British Columbia. It is uncertain whether we shall be able to use this vote, but it is likely we can at least expend the money upon preliminary works. I have, therefore, asked for the vote in order that no time should be wasted during the ensuing season. * * *

HON. MR. TUPPER. * * * (Page 514.)—But, Sir, the fact of the engagements which the First Minister has just stated were entered into with British Columbia during the past season set at rest and forever any question as to whether we are in a position that would allow us to doubt and hesitate a single instant what course to pursue. I am not going to call in question the propriety of this engagement for a moment. I feel that the Ministry of the day are entitled to the support of this House, and especially the gentlemen who sit on the Opposition benches, in any measure which is required to carry out the pledge—perhaps a somewhat imprudent pledge—that was given by their predecessors in relation to this great work; and I feel they may look with confidence to this side of the House for the most energetic support of the measures they have taken—I believe wisely taken—for the redemption of that pledge. * * *

HON. MR. BLAKE. * * * (Page 544.)—Then we have the question of a road from Esquimalt to Nanaimo. As to that, I do not observe that the hon. gentleman said much upon it. I suppose he could not complain of the construction of that branch

HON. MR. TUPPER.—I do not complain of it.

HON. MR. BLAKE.—Upon that subject at any rate, even his mouth is shut, because the late Government had, by

See page 139. \$500,000 voted for E. & N. P. Railway.

\$250,000 for Mainland B. C. on Railway construction. See page 139.

Tupper is satisfied, Canada can carry out engagement under Carnarvon terms.

Tupper pledges support of opposition. See page 35 "bitter experience"

Tupper holds Carnarvon terms to be "wisely taken" measures for redemption of Railway pledge of 1871 & 1874. See Sir John Macdonald p. 35. Tupper 59.

Tupper does not complain of E. & N. Railway.

Tupper's mouth shut.

* Surveys completed in 1877. Work of construction to commence April, 1880, three years later.

† Canada extended time for completion of C. P. R., without consent of B. C. or Imperial Government, in

Sec. 4 Syndicate Contract, to May, 1891, leaving out E. & N. R. altogether.

executive action, determined, as far as they could determine for the people of this country, that the terminus of the Pacific Railway should be at Esquimalt; and that we should build the road, not merely from Esquimalt to Nanaimo, but further on, and to cross the Narrows to the mainland, at I do not know what cost. Therefore, the hon. Premier occupies, with reference to his opponents, an impregnable position. While he proposes to this House to do anything with reference to the construction of that piece of the line, I always, for myself, dissented from that view that the improvident and reckless promise made on behalf of this country of building a line on Vancouver Island—

MR. DECOSMOS.—No, no.

HON. MR. BLAKE.—I contend to the contrary. The hon. gentleman says it should be built, but others think it would be in the interest of the country that the arrangement made to construct a road to Esquimalt should be cancelled, and a new arrangement made. The Government has rightly, from its accession to power, taken the view that that arrangement was in excess of the terms of Union, and that the country is not bound to do more than to construct a line to the Pacific Ocean. Anything beyond that was beyond the terms of the bargain. I am here called upon to advert to what the policy of the Government has been with reference to the relaxation of the terms, and I wish to point out, in reference to this, observations of my own in support of it, and statements made in the blue-book laid before us. On page 26, in the first Minute of Council sent to the Colonial Secretary, this statement is made:

"The propositions made by Mr. Edgar involved an immediate heavy expenditure in British Columbia not contemplated by the terms of Union, namely, the construction of a railway on Vancouver's Island, from the Port of Esquimalt to Nanaimo, as compensation to the most populous part of the Province for the requirement of a longer time for completing the line on the mainland."

MR. DECOSMOS.—That is bosh.

HON. MR. BLAKE.—It may be bosh, but it is a melancholy fact. This proposition was made, and ultimately, by the arrangements which have been

HON. MR. BLAKE.

made, and I understand it to have been acceded to, that the construction of the piece from Esquimalt to Nanaimo should be proceeded with, not as a necessary portion of the Pacific Railway, but as compensation for not completing the line on the mainland.

MR. DECOSMOS.—Would the hon. gentleman point to any part of the propositions made by Mr. Edgar to Mr. Walkem, in which the word compensation appears?

HON. MR. BLAKE.—I do not know anything about that.

MR. DECOSMOS.—Well, keep within the record.

HON. MR. BLAKE.—I am keeping within the record. I am keeping within the record of the Minute in Council and also within the record of the decision of Lord Carnarvon. I am keeping within the record when I show that the Government of British Columbia agreed to be bound by the decision of Lord Carnarvon. I am keeping, therefore, within the record when I say that the Government of British Columbia, as far as it can bind the people of that Province, agreed to accept an extension of the railway from Esquimalt to Nanaimo as compensation or part compensation for the delay in the time of construction. In the instructions to Mr. Edgar, this passage occurs (page 545):

"You will take special care not to admit in any way that we are bound to build the railway to Esquimalt or any other place on the Island; and while you do not at all threaten not to build there, to let them understand that this is wholly and purely a concession, and that its construction must be contingent on a reasonable course being pursued regarding other parts of the scheme."

MR. DECOSMOS.—Will the hon. gentleman point out where the word "compensation" comes in in those instructions? I do not wish the impression to go abroad that compensation was offered to British Columbia by Mr. Edgar when such was not the case. The First Minister has alluded to his own private and confidential instructions to Mr. Edgar, but they were not put before the Government of British Columbia. I wish the hon. gentleman to state distinctly what were the propositions that Mr. Edgar did make to the Government of British

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Columbia, and let him show whether the word "compensation" was used in them at all.

HON. MR. BLAKE.—I have already pointed out that that is entirely immaterial, inasmuch as the hon. gentleman might deny that proposals distinctly indicating that view were assented to, and formed the basis of the decision of Lord Carnarvon, which they had agreed to accept. Now, Mr. Chairman, I have stated in public on one occasion, and also in this House, my own opinion that the proposals which were made by the Government through Mr. Edgar, were of an extremely liberal character, and were not such as ought to be materially enlarged by the people of this country. It seems to me that I am fortified, at any rate, in that opinion by the language which I find in the Minute of Council from which I have been reading, on page 27:

"The public feeling of the whole Dominion has been expressed so strongly against the fatal extravagance involved in the terms agreed to by the late Government, that no Government could live that would attempt or rather pretend to attempt their literal fulfilment. Public opinion would not go beyond the proposal made through Mr. Edgar to the Government."

That Minute of Council was transmitted to Lord Carnarvon, and he made his counter-suggestions or stated his views, which were very considerably in excess, in some particulars, of those which had been submitted by the Government of the Dominion. In some of these particulars those views were afterwards modified. To them, therefore, it becomes entirely unnecessary to allude. Others of them were adhered to by Lord Carnarvon, and it is to those views and to the language of the subsequent despatch that I wish to direct the attention of the House. With reference to the proposal of Lord Carnarvon, that the expenditure of \$1,500,000 should be increased to \$2,000,000, the Minute in Council of September, 1874, states:

"In regard to the second proposal, the Committee recommend that Lord Carnarvon be informed (if it be found impossible to obtain a settlement of the question by the acceptance of the former offer, that the Government will consent that, after the completion of the survey, the average annual minimum expenditure on the mainland shall be two millions. There is every reason to believe now that a majority of the people of Columbia would accept the proposi-

tions previously made. Judging from a petition sent from the mainland, signed by 644 names (a copy of which petition is enclosed) there is almost an entire unanimity there in favor of these proposals, and assurances were given very lately by gentlemen of the highest position on the Island, that the course of the Local Government would not meet general approval there. An application was made by one prominent gentleman, an ex-member of Parliament, to the Government here, to know if the proposals made would still be adhered to, he pledging himself to secure their acceptance by the bulk of the people. It is, therefore, earnestly hoped that no change will be considered necessary, as it will be difficult to induce the country to accept any further concessions."

Then turning to the other condition, the Minute in Council proceeds:

"The fourth condition involves another precise engagement to have the whole of the railway communication finished in 1890. There are the strongest possible objections to again adopting a precise time for the completion of the lines."

Then Minute in Council proceeds to say (page 545-6):

"There can be no doubt that it would be an extremely difficult task to obtain the sanction of the Canadian Parliament to any specific bargain as to time, considering the consequences which have already resulted from the unwise adoption of a limited period in the terms of Union for the completion of so vast an undertaking, the extent of which must necessarily be very imperfectly understood by people at a distance. The Committee advise that Lord Carnarvon be informed that, while in no case could the Government undertake the completion of the whole line in the time mentioned, an extreme unwillingness exists to another limitation of time; but if it be found absolutely necessary to secure a present settlement of the controversy by further concessions, a pledge may be given that the portion west of Lake Superior will be completed so as to afford connection by rail with existing lines of railway through a portion of the United States, and by Canadian waters during the season of navigation, by the year 1890, as suggested."

At page 40 the same Minute in Council says:

"It only remains to say that the Government, in making the new proposals to British Columbia, were actuated by an anxious desire to put an end to all controversy, and to do what is fair and just under very extraordinary circumstances, and that these proposals embraced the most liberal terms that public opinion would justify them in offering."

The Minute in Council also points out clearly to Lord Carnarvon, with reference to the complaint that nothing was being done by the Dominion Government towards commencing or pushing on the railway from Esquimalt to Nansaimo, that:

"The Dominion has no engagement to build such a railway, and, therefore, there can be no

just complaint that it is not commenced. The construction of such a railway was offered only as compensation for delay in fulfilling the engagement to build a railway to the Pacific seaboard."

Now, Sir, I maintain that the expressions in these despatches, with reference to the state of public opinion and to the difficulty, if not impossibility, of inducing Parliament and the country to extend further concessions, truly and correctly made—I maintain that the difficulties in which the country may be involved by these extra concessions are very serious. Having regard to the very favourable financial engagements which the First Minister was able to make, having regard to the large sums that, upon very favorable terms he was able to borrow without trenching on the reserve of the Imperial guarantee, and assuming a concurrence of favourable circumstances for a period of years yet to come, assuming a reasonable share of prosperity—reasonable at any rate, if it had not been enjoying a very extraordinary share of prosperity for some years past—assuming a continuance, I say, of that prosperity, it is possible that this country may be able to comply with these conditions. But, for my own part, I repeat my regret that the terms proposed should have been acceded to. I repeat my regret that we should have agreed to a larger minimum of expenditure than \$1,500,000, which was more than British Columbia had herself asked for in the first instance. I repeat my regret that the agreement made contained a new time limitation when almost all the circumstances which, in the judgment of hon. gentlemen with whom it was my happiness to act, rendered it imprudent to attempt to fix such time limitation, these circumstances being the impossibility of knowing within what time we could construct this railway, and at what cost, while the surveys were in their then condition. * * * (Page 547). Now, Sir, under these circumstances, for my own part, I regret that the Government has felt it necessary to yield to the extent to which they did yield to the request of Lord Carnarvon. * * * I do not deny that the difficulties arising out of the imprudent bargain made with British Columbia are such as justify the

Government in asking, what I believe they will receive at our hands, the greatest consideration and forbearance with reference to the settlement of this question. But I do say that if we accept the arrangement which the Government propose to us, we accept it because we believe it best in the interest of this country to do so—not because Lord Carnarvon said so. There is one observation of my hon. friend which I heard with some regret. I had put a question upon the paper with reference to this arrangement, which my hon. friend answered in anticipation, accompanying his answer with some explanations. We all recollect the attitude that the people of British Columbia assumed when the proposal was made for a modification of "the terms" of Union. The people and the Legislature took alarm, and I believe the Legislature declared that no alteration of these terms should be made without the people themselves having an opportunity of pronouncing upon an alteration by the usual constitutional mode. I do not object to that demand being made. I do say that the people of British Columbia might fairly have called upon the Government of that Province not to assent to any alteration of "the terms" without the concurrence of their representatives in Parliament assembled. It appears to me that the people of Canada ought also to be called upon, through their representatives in Parliament assembled, to deal with the settlement that had been made by the Government, either in the way of affirming or disaffirming of the course pursued. This is the view which I think the despatch indicates was taken by the Government at one time. * * * (Page 548). We are dealing with the Province which, next to Manitoba, is the smallest in the Dominion. We are dealing with the Province in respect to which our obligations have not been implemented. We are arranging for the alteration of the terms, and I think if we were disposed, as I suppose a majority of the House is disposed, to agree that these terms should be so altered, the people of British Columbia would be better satisfied if the new arrangement rested upon statutory enactment rather than upon simple

HON. MR. BLAKE

* Supposed origin of E. & N. Bill. See page 11.
Machias "no authority to obtain."

executive action as now proposed. Therefore, whether we look at the interests of the Canadian people alone, or at the spirit in which these proposals are to be accepted by the people of British Columbia, I venture respectfully to represent to the First Minister that the more prudent course would have been to give us an opportunity of pronouncing upon these proposals.

HOUSE OF COMMONS.

Saturday, March 13th, 1875.

The Speaker took the Chair at three o'clock.

THE PACIFIC RAILWAY.

HON. MR. TUPPER (page 693). * * The House had heard that the Government during recess, had bound the country to a time bargain to the construction of the Canadian Pacific Railway from the Pacific coast to the shores of Lake Superior. The late Government were charged with having committed a monstrous folly in making a bargain with British Columbia for the construction of the Pacific Railway within ten years. The bargain was made between our own people and the people of a Province who, by their loyal and patriotic course, had given the best evidence that they would not complain if they saw that the Dominion Government in good faith was making all exertions possible to carry out the bargain. Suppose the work had occupied fifteen years instead of ten, there would not have been a dissentient voice raised provided the Government proceeded as rapidly as possible with the work. But the present Government had made an additional compact with the Crown and Parliament of Great Britain, providing that within fifteen years the railway would be built from the Pacific to Lake Superior. And for this, if for no other reason, the question occupied a different stand-

point. He denied that the late Government had ever agreed to put their hands in the public Treasury and build a road from Esquimalt to Nanaimo; but they required the Company to secure * the contract for the construction of the Pacific road proper to carry out that line at their own cost. The leader of the present Government had stated in his letter of instructions to Mr. Edgar, the agent sent to British Columbia, and reiterated the statement in a Minute of Council to Lord Carnarvon, that the Government of Canada were under no obligation to build a mile of railway on Vancouver Island. And yet the Government had pledged the country to the construction of a road from Esquimalt to Nanaimo at a cost of three and a-half millions. * * (Page 696.) He (Mr. Tupper) was ready to put twice that amount in the hands of the Premier for the construction of a Canadian Pacific Railway, but not for the purpose of rendering it impossible for us to have a through railroad on Canadian territory. He therefore moved that the said resolution be amended by adding the following words;

That in view of the engagement entered into during the past year between the Government of Canada and the Imperial Government and British Columbia, to build a railroad without delay from Nanaimo to Esquimalt on Vancouver Island, and to expend not less than \$2,000,000 per annum in British Columbia on the Canadian Pacific Railroad, and to complete the construction of the line from the Pacific Ocean to the shore of Lake Superior in fifteen years, this House is of opinion that no time should be lost in beginning the eastern portion of the Canadian Pacific Railroad and constructing it as rapidly as is consistent with a due regard to economy from the point fixed by Parliament at or near to the south of Lake Nipissing, westward to Lake Nipigon and thence to Red River, commencing at Lake Nipigon and working eastward and westward, and that the Government should employ the available funds of the Dominion in the first place for the completion of that great national work—a continuous railway on Canadian territory by the shortest route from the Atlantic to the Pacific Ocean.

A division was taken on the amendment which was rejected—yeas, 43; nays, 117.

* Who secured (?)

* Allan Co.

Tupper's attempt at evasion. See Order in Council fixing terminus on V. I. Page 45 & 173.

Canada pledged itself to build E. & N. Railway.

Tupper admits and does not oppose Carnarvon terms. See also p. 11 his speech.

This is opposed partly to Carnarvon terms or Carnarvon views of the construction.

EXTRACTS from the "*Debates of the House of Commons of the Dominion of Canada, on the Esquimalt and Nanaimo Railway Bill. Vol. I.—Session, 1875.*"

HOUSE OF COMMONS.

Friday, 19th March, 1875.

(pp. 792-793.)

The Speaker took the Chair at Three o'clock.

ESQUIMALT AND NANAIMO RAILWAY.

E. & N. Bill introduced because Government agreed to build E. & N. Railway.

HON. MR. MACKENZIE asked leave to introduce a Bill intituled: "An Act to provide for the construction of a line of railway from Esquimalt to Nanaimo, in British Columbia." In doing so he said:—Mr. Speaker, the necessity of this Bill arises from the fact that the Government have agreed with the Government of British Columbia, as stated in the paper laid before the House, to build this road at the earliest possible date. The Government have taken an estimate of a certain amount of money to be expended this year, but they have no parliamentary authority for taking the necessary steps for the construction of a line of railway, as to land and otherwise. The Government are not prepared to consider this a part of the Canadian Pacific Railway, and they therefore require special authority. Parliament may, at a future time, if it so pleases, declare this to be a part of the Pacific Railway, provided that it is in the line that may suit for the ultimate terminus of the road on the Pacific. If the terminus be at Bute Inlet, for instance, and Parliament should resolve, at a future day, to go beyond the head waters of that inlet and connect with the Esquimalt and Nanaimo Road, it may become a part of the Pacific Railway, but it is decided to build that part on the island as an ordinary Government railway, leaving the future to be controlled by Parliament. The first section simply provides that there shall be a railway constructed between these two points. The second section determines the gauge, and that

Wanted power to take land on V. I. See O.C. of March 1874—p. 174.

E. & N. Railway may be declared part of C. P. R.

the Governor in Council may provide such plans and specifications as may be required for its construction. The third section authorizes the Governor in Council to enter into contracts with a company or individuals for the construction of the road, and the subsections of the clause are practically the same as, or nearly a repetition of, the clauses in the Canadian Pacific Railway Bill of last Session, regarding the security to be given and the mode of payment to contractors, namely, \$10,000 for each mile with the land somewhere on the line of the railway, and any further amount that may be required. Sections 4, 5, 6, 7 and 8 refer to the letting of contracts. The Government do not propose to submit these contracts for the approval of Parliament, for the reason that they expect to be able, sometime during this season, to let out contracts for this work, and they took parliamentary authority for letting them in the ordinary way that other contracts were let out by the Public Works Department. As the Government do not, in this Bill, recognize this line as part of the Pacific Railway, it becomes necessary that they should have a special section for the land grant from the Province. Section 9 accordingly provides that the railway shall not be commenced, and that no contract shall be entered into for the construction thereof until the Government of British Columbia shall grant and convey to the Canadian Government in trust, a similar extent of public lands along the line of the said railway throughout its entire length, not to exceed twenty miles on the side of the line, as may be appropriated for the same purpose by the Dominion Government for the North-West Territories and Manitoba; provided the amount of land that may be held by pre-emption shall be made good to the Dominion Government from contiguous lands. Section 11 and subsections simply apply the provisions of

* Not recognising E. & N. in Bill as part of C. P. R. deprived Dominion Government of claim to land under Sec. 21 of Terms of Union.

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the general Railway Act to this Act, so far as may be necessary for the purpose of carrying out the law. The Bill, although a little lengthy, is very simple, and is merely a repetition of the clauses of the Canadian Pacific Act, with a clause providing that the Government may proceed in the way indicated.

The Bill was read a first time.

HOUSE OF COMMONS.

Monday, 29th March, 1875.

(pp. 949—967.)

RAILWAY FROM ESQUIMALT TO NANAIMO.

HON. MR. MACKENZIE moved the second reading of the Bill to provide for the construction of a line of railway from Esquimalt to Nanaimo in British Columbia.

HON. MR. TUPPER asked if the Government propose to insert in the Bill a provision, that no contract shall be made without the approval of Parliament?

HON. MR. MACKENZIE. No.

HON. MR. TUPPER said a Bill had passed through Committee, and would be reported to the House providing for the incorporation of a private company to construct a line between the two points specified in the Government Bill, but the object of obtaining that Act by the company was thought by the hon. First Minister to be that of being made contractors. The necessity of having all contracts laid before Parliament was therefore more pressing. It was important that no obstructions should be placed in the way of the construction of the road from the waters of the Pacific at either Bute Inlet or Burnard Inlet to Red River. The Government Bill provided for the railway when built becoming the property of the contractors in the same way as the Georgian Bay Branch would become the property of the contractor, Mr. Foster. The answer of the Government, no doubt, would be that to carry out his proposal would involve one year's delay; but, at all

events, the House would be glad to hear whether the Government had any idea as to the probable contractors. Those inquiries would, of course, have been unnecessary, if the Government were to be the contractors for the railway between Esquimalt and Nanaimo.

Mackenzie objects to delay of contracts for a year.

HON. MR. MACKENZIE said the Bill as prepared did not require that the contracts should be submitted to Parliament, especially as Mr. Smith, the Chief Engineer on the Pacific side, thought he would be ready by mid-summer for contracts. The Government must either let the contracts without their being submitted to Parliament or put off the work for a year. Rightly or wrongly they had agreed with British Columbia to commence the construction of this road immediately, and this Bill was introduced in accordance with that arrangement. As to the statement that Esquimalt was by this Bill constituted the terminus of the Pacific Railway, it was incorrect.

E. & N. Ry. to be commenced immediately.

MR. IRVING said he hoped this Bill would not be taken as a precedent to justify a departure from what was understood to be a part of the general policy of the Government, namely, to submit every contract for large works for the sanction of Parliament.

HON. MR. MACKENZIE. That is not the general policy of the Government. We let our contracts last year on the canals to the amount of several millions, and the law did not require them to be submitted to Parliament.

Law did not require contracts submitted to Parliament.

MR. IRVING said the law did not require it, but it was understood to be a part of the present Government when they criticized the late Government for not following it in connection with the Pacific Railway. He was not speaking of the way contracts might be carried out under the present law, but under new legislation. He believed the country expected that the ratification of Parliament would be obtained to all contracts for important works just as such contracts were submitted to the Imperial Parliament.

HON. MR. MACKENZIE said the hon. gentleman was mistaken. It was not the custom to submit contracts of this kind to the Imperial Parliament, but

* If no contract could be let without sanction of Parliament the construction of E. & N. would not go on till 1876.

only those of a certain class—chiefly those with mail steamship companies who received subsidies. He had insisted upon that policy only in regard to the Pacific Railway. He had no objection whatever to that policy being adopted wherever it could be conveniently adopted; but, for instance, contracts would be immediately let for the enlargement of the Welland and Lachine Canals, and it would be impossible, without delaying the execution of these works, to submit those contracts to Parliament. The rule could not very well be applied to ordinary contracts. The contracts for the Pacific Railway were not ordinary contracts, because they provided for the road becoming, ultimately, the property of the company. On the other hand, the works on the canals were for the country, and the contracts were given to the lowest tender, when sufficient security could be obtained, and there was not, therefore, the same opportunity for intrigue with contractors. The contracts now being let for the grading of certain portions of the Pacific Railway were merely for the preliminary part of the work, and whatever was done would be taken by the ultimate contractors as part payment. He was not sure, therefore, the consent of Parliament would be required to these contracts, because they were merely for the preliminary part of the work, and the same principle was not involved as in the larger contract, where the parties were to accept certain quantities of land upon certain conditions, obtain a guarantee for a certain amount; and to have the road become their property upon certain conditions. If they attempted to carry out the principle that all contracts should be submitted to Parliament, there would be most serious difficulties with regard to many of our public works, and he had never advocated that principle, because he knew it would be quite impracticable.

MR. CURRIER said, in the first place, he hoped the Government would not find it their duty to construct this railway at all; and, in the next place, he hoped if they did go on with the work, they would not let the contracts without first submitting them to Parliament.

HON. MR. MACKENZIE.

MR. PLUM said he was surprised at the statement of the First Minister that he had not, when in Opposition, advocated the policy of submitting all important contracts to Parliament. He believed statements directly contrary to that had been made throughout the country, and the late Government had been condemned for not adopting that policy. Not many years ago, the Local Government was attacked and condemned chiefly on that very ground. It seemed to him that gentlemen opposite took a very different view of this matter from that which they held when in Opposition. The country would be very much surprised at the declaration of the First Minister. Certainly, if any contracts should be submitted to Parliament, those for the construction of this work should be.

MR. LAYING wished to say one word of an explanation. He did not mean to reflect upon the propriety of any contracts that had been given out, nor to express any doubt that what was fair would be done. That was not the point. The point was that the country had been led to expect that such contracts would be submitted to Parliament. If the question of expediency or delay was permitted to prevail in any particular case, it would apply in every case. All large contracts he held, should be submitted to Parliament.

HON. MR. MACKENZIE said he was quite sure he had never led the country or any one to expect that all important contracts would be laid upon the Table of the House. He never said a word that could imply such a course, because he knew it would be utterly impracticable. But there was a particular class of contracts which should be submitted to Parliament and which should be specified in the Bill—authorizing such contracts—such as contracts for the Pacific Railway and the Montreal Ocean Steamship Company. Such was not the case in the Act authorizing the construction of the Intercolonial Railway, and many other public works. Take, for instance, the Examining Warehouse, at Montreal, an important work, costing over two or three hundred thousand dollars. Any one could see that vexatious delays would arise if the contract for a work of that kind

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could not be let till Parliament assembled. He was quite certain the hon. gentleman was mistaken if he supposed that he (Mr. Mackenzie) ever led the country to expect he would pursue such a policy. It would be utterly impossible to do so.

MR. WHITE said one of the most formidable difficulties he had to contend against in his canvass, was the charge that the late Government had given out the contract for the Pacific Railway without the consent of Parliament and the assertion that the then Opposition were opposed to such a policy. Mr. Rathburn, a large mill owner, and a very influential man in his county, though a Conservative, opposed him on the ground that the present Government had, by their public utterances, led him and the country to believe that it was their policy to submit all large contracts to Parliament for its approval or disapproval. He had told that gentleman that it was impossible for the Government to submit all such contracts to Parliament, and he was glad to find that that statement was now admitted to be correct by the First Minister himself. The railway which the Bill now before the House was to authorize was a part of the Pacific Railway scheme.

HON. MR. MACKENZIE.—No.

MR. WHITE.—It is a part of the arrangement entered into by the Government with British Columbia and would involve the expenditure of several millions, and it was a work which the Government should never have undertaken to perform. If we were true to ourselves we would build no branch lines; we would build the main line and let the Provinces, specially interested in them, build the branch lines. It was one thing to be in Opposition and quite another thing to be members of a Government; and the people were beginning to see the insincerity of hon. gentlemen who, when in Opposition, preached economy which they failed to practice when in power, and who laid down very stringent rules respecting the submission of contracts to Parliament which they found it utterly impossible

to carry out when they came into office.

HON. MR. TUPPER said he agreed with the statement that the country had certainly been led to expect that one of the great points of difference between the policy of the present Government and that of the past, was that all contracts for works of an important nature should be submitted to Parliament.

HON. MR. MACKENZIE.—When did I say that?

HON. MR. TUPPER.—I did not say that you said so. The hon. gentleman has stated that he did not say so, and he (Mr. Tupper) was prepared to accept the statement because he was not in a position to controvert it. However, he believed that the country had received the impression which had been indicated by several gentlemen who had spoken. He wished to draw the attention of the House to a very curious exception which the First Minister had made. The hon. gentleman had stated that it was specially with reference to the Canadian Pacific Railway contract that he had held that it should be submitted to Parliament; but that with reference to other large public works, such as the Intercolonial Railway, and the canals, he had not said the contracts should be laid upon the Table. If there was a contract which did not require to be laid on the Table of the House it was the Canadian Pacific Railway contract of the late Government, because Parliament had deliberately fixed the quantity of land and the amount of money which should be given to the contractors as well as the terms and conditions, all of which were rigidly adhered to in the contract, with a single exception, with reference to lands other than those along the line—an exception which the present Government had found it necessary to keep *verbatim et literatim*. With reference to that point, and that point only, the contract required the approval of Parliament. The Intercolonial Railway was in quite a different position. In that case the contracts were to do a certain public work for the Government, and none of the terms and considerations thereof were fixed by Parliament beforehand. Therefore there was strong reason why

such contracts as that of Mr. Foster should have the approval of Parliament; which did not exist in the case of the Canadian Pacific Railway contract. Apart from that, however, there was another very important reason why Mr. Foster's contract, and the contract for the work now before the House, should be submitted to Parliament. He believed that at this moment the eastern portion of what would be the connection between the railway system of Canada and the Canadian Pacific Railway proper, was in the hands of Americans. It was an American contract whose tender was accepted by the Government—Mr. Munson, of Boston. The 120 miles from Douglas up to Renfrew he held to be a part of the Georgian Bay Branch, and he believed the capital would all be negotiated for by the same parties, and those parties were Americans. He believed that the money deposited with the Government came from the United States, and that the security was also American. He was stating what he solemnly believed when he said that at this moment the eastern link of the Canadian Pacific Railway was in the hands of Americans. He would say, further, that under this Bill he had not the slightest doubt that the contract for the construction of the road from Esquimalt—the Pacific terminus of the Canadian Pacific Railway—to Nanaimo, for which this country would have to pay between three and four millions at the very least, would also pass into the hands of the Americans. What was to prevent it? There was a Bill before the House for the incorporation of a British Columbia Company, but no person would imagine that the capital necessary to build that road could be found in British Columbia. He believed that the capital would come from the United States, and that under these two contracts we would have the intervening portion of the great national highway of Canada hemmed in by American contractors and American capitalists who would own both ends of the line. These railways would not become the property of the Government, like the Intercolonial Railway or the canals, but under these contracts the work itself would become the property of the con-

HON. MR. TUPPER.

tractors. He understood the hon. Minister of Public Works to say, that although the Pacific Railway Act did not oblige him to lay Mr. Foster's contract upon the Table, he intended to take that course for the purpose of obtaining the sanction of Parliament. He (Mr. Tupper) had put a motion upon the Table which the House was not likely to reach owing to the near approach of the end of the Session. He hoped that if he (Mr. Tupper) would not be able to reach that motion, the House would have an opportunity of passing an opinion upon that contract, though he must say that after the opinion expressed by the First Minister he had very little expectation that the House would be allowed that opportunity. He repeated that he believed that the two ends of the Canadian Pacific Railway would pass into the hands of foreign capitalists, and those men who have the deepest possible interest in preventing the construction of the Canadian Pacific Railway for the next fifty years, because they have money invested in a railway that is likely to be unproductive if a railway through Canada is constructed.

HON. MR. MACKENZIE. I do not intend to follow the hon. gentleman for more than one moment, I will just refer to the insinuation that the Government is under some unseen influence of citizens of the United States. I do not use the term American citizens, because I claim we are as much Americans as they are. The insinuation is not new. The organs of the hon. gentleman's party have been singing that song for the last year and a half. They have on every conceivable occasion brought up a statement to that effect, and the hon. gentleman's statement to-night is only a repetition of what he said the other night and on other occasions. I tell the hon. gentleman I have no knowledge of any influence whatever from the other side of the line being exercised. I have no knowledge of any connection of Mr. Foster with United States citizens of any kind, good, bad or indifferent. I never was spoken to, never was approached, nor do I know anyone that was spoken to or approached by anyone from the United States in

Tupper admits that Esquimalt is Pacific terminus.

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must produce proof, in support of the
insinuations in which they continually
indulge regarding the motives and
objects the Government have in view.
I challenge the hon. gentleman and
the whole country to produce a particle
of evidence in support of those insinua-
tions. I do not deem it consistent
with my own honor or dignity to say
any more than that I invite the hon.
gentleman and all who have anything
to say in the matter at once to proceed
with the production of some evidence
to justify these repeated insinuations.

HON. MR. TUPPER. I think the hon.
gentleman is very wrong to answer
such arguments as I have advanced to
the House in such a manner. I am
prepared to produce proof satisfactory
to my own mind, and, I believe, satis-
factory to every member in this House,
that there is great reason to fear that
American influence is being exercised
in this matter. We undertook to con-
struct a Canadian Pacific Railway in
this country and American capitalists
connected with the Northern Pacific
Railroad exhibited an intense desire
to get control of that work. They
approached the late Government and
approached it in vain. They went to
Sir Hugh Allan and went to him
with success. Sir Hugh Allan made
arrangements with the promoters of
the Northern Pacific Railway by which
they were to furnish all the capital, I
believe, that was required for the con-
struction of the Canadian Pacific Rail-
road. If that is not evidence to the
House of the existence of parties in the
United States who felt a deep interest
in obtaining control of our Canadian
Pacific Railway, then I do not know
what would be held to be a deep
interest. Sir Hugh Allan and Mr.
Foster were associated with these
gentlemen, and Mr. Foster who was a
strong supporter of the late Admini-
stration, abandoned his support of
them and joined with Jay, Cooke &
Co. in bringing about the downfall
of the late Government, because we
shut the door in their faces, and because
we said the Canadian Pacific Railroad
should not fall into their hands. I ask

the hon. gentleman if he supposes that
anybody in this House or outside of it
can be blamed—I put it in no stronger
terms—for indulging a fear that those
same interests, which were so active
and accomplished so much in relation
to this work, show the same anxiety
now. It is known that the Northern
Pacific Railway Company have built a
line from Duluth to the waters of Red
River, and have extended their con-
nection down in the direction of the
Dominion. It is known that these
people are deeply anxious to make that
road profitable. They would not be
keen and enterprising capitalists as they
are, if they were not anxious. It is
well known they are projecting carry-
ing a railroad from the Missouri to the
Pacific, and hence their deep anxiety
and great interest in obtaining such a
position as will enable the parties who
have sunk their money in constructing
the Northern Pacific Railway to obtain
a dividend from their railway. We find
Mr. Foster, who abandoned the late
Government because we would not
entertain the proposal of himself and
of his American associates, getting an
assignment of this contract for the con-
struction of the Georgian Bay Branch
from a Mr. Munson, of Boston, whose
tender it appears that Government
accepted—I say accepted, because
unless they accepted his tender, how
was he in a position to assign his con-
tract to Mr. Foster? The papers laid by
the Government before this House
definitely showed that the Americans
obtained the contract, and that Mr.
Foster, who is associated with the
Northern Pacific Railway, obtained an
assignment of it, and I say, therefore,
there is reason for fear. I do not mean
to say it is evidence such as is required
in a court of law to establish a case, but
we are not dealing with a court of law,
but with the Parliament of Canada and
the intelligent public sentiment of this
country, and I say it is time the people
of Canada looked into it. As the hon.
gentleman has challenged me in such a
manner, I give the grounds on which
my fear is based. When I find the
Government proposing to build a
branch of the railroad instead of carry-
ing on a great highway through British
territory and diverging from the
route to the Georgian Bay, expending

Whence funds
to build E. & N.
Railway.

millions of the people's money, not in building the Pacific Railway, but in constructing lines which are no part of it, and which will actually compel us to use the Northern Pacific Railway—when, I say, after throwing away our money in that way it increased my fear that the same parties who exercised their influence in the most potent form to endanger the Canadian Pacific Railway before, are exercising it now. It is a most vital point to us to know where the capital to build this road on Vancouver Island is to come from. There are peculiar circumstances attending this contract. It comes before us involving an unknown sum to be given to unknown parties. I am not going to endorse what is said by other persons, but I do repeat what I have said here, and I give grounds which, I think, are sufficient to excite apprehension in the minds of the people—that American influence has something to do with the construction of this railroad.

HON. MR. MACKENZIE—The hon. gentleman thinks that his fears justify him in disputing my words.

HON. MR. TUPPER said he would be very sorry to question the words of the hon. gentleman. He had not put it on that ground. He accepted the hon. gentleman's words to the fullest extent. All that he (Mr. Tupper) said was that there were grounds for apprehension that the Northern Railway interest would obtain the contract on Vancouver Island, as he feared they had already got the Georgian Bay section.

It being Six o'clock, the Speaker left the Chair.

AFTER RECESS.

MR. BLAKE said he did not understand the Bill to be presented to the House in pursuance of a policy on the part of the Dominion Government to construct a railway from Esquimalt to Nanaimo if their hands were free; but he understood it to be brought down in order to give effect to an engagement which had been made with British Columbia, through the medium of the Colonial Secretary, with respect to certain terms of relaxation of the original bargain agreed upon at the

HON. MR. TUPPER.

time of union with that Province, and one of those terms of engagement, which the House was asked by passing this Bill implicitly to ratify, was that there should be constructed immediately or forthwith a railway from Esquimalt to Nanaimo.* His hon. friend the First Minister had explained that it was because that was the term of the engagement with British Columbia that he asked authority to enter into the contract for the construction of that railway, and to proceed upon those contracts without obtaining the assent of Parliament thereto, or rather without giving Parliament an opportunity of disapproving of the contract. Those who were prepared to assent to and to implement those engagements could hardly consistently object to that proposal, simply because it was essential to the complete fulfilment of the engagement. If they were to wait till the next Session of Parliament before work was commenced, that meant to wait, of course, a whole year† till the next session for work, and that would not be fulfilling either the spirit or the letter of the engagement. He did not understand the hon. First Minister to attempt to justify the proposal he had made to Parliament upon any other ground than that the Government made an engagement to commence work immediately, and in pursuance of that agreement he asked the House to give authority which, whatever might be the general principle which ought to govern the making of such contracts and whatever might be the principle to which the party of which the hon. First Minister was the head was committed on that subject, it was clear that no ordinary circumstance could apply to this case. Parliament was asked by the present Government last Session to give power for the construction of the Pacific Railway itself, and the Act passed contained provisions with respect to the contracts for the work, especially declaring that no contracts for the construction of any portion of the line should be binding until they were laid before Parliament for one month, or a shorter time if they were approved by resolution. The same Act contained a provision as to certain portions of the line which were

E. & N. Rail-
way is to carry
out Carnarvon
terms.

* E. & N. Railway to be constructed at once.

† Tupper's proposal was practically to break Carnarvon Terms by waiting a whole year instead of commencing at once.

province, and engagement, by passing y, was that and immedi- railway from His hon. d explained as the term th. British authority to for the con- and to pro- ts without Parliament giving Par- of disapprov- e who were o implement hardly con- t proposal, ential to the engagement. till the next ore work was to wait, of the next sea- ould not be or the letter id not under- Minister to oposal he had a any other Government o commence n pursuance d the House h, whatever nci ple which ing of such ight be the rty of which as the head bject, it was circumstance Parliament Government for the con- railway itself, ined provis- ontracts for aring that no tion of any e binding e Parliament orter time if solution. The vision as to e which were

to be exempted from that provision, and with respect to the branches the assent of Parliament was not stipulated to be obtained. His hon. friend the First Minister justified—and he received the unanimous assent of the House to his justification—his departure from the general principle and from the application of the general principle in the act of the Government upon the ground of public necessity, upon the ground that it was expected and believed that arrangements could be made for the prosecution of the work of constructing those branches during the season, and that the public interest required they should be prosecuted during that season. And, therefore, he asked Parliament so far to depart from the general principle he had asserted and maintained with respect to the main line, and that the House assented to. His hon. friend the First Minister acted in the spirit of the main provisions of the Act, and as regarded the Georgian Bay Branch he did not avail himself of the power thus conferred on the Government, but provided that the contract for the construction of the road should be liable to the same conditions as contracts for the main line, and be laid on the Table of the House during one month, and it did lay on the Table nearly that period. Therefore, the only question the House had to consider, with respect to this point of the Bill, was whether the justification for departing from the recognized rule, as established and embodied in the Statute-book, was sufficient. The whole policy of this measure depended upon the engagement made with British Columbia, and if the House was prepared to implement that engagement in its entirety, it must be prepared to give the exceptional authority asked by the Government. As he understood the general principle, with reference to the expenditure of public money, which had been advocated by hon. gentlemen who sat near him, it was that the House ought as far as possible to retain and maintain the control of Parliament over the expenditure of the public funds. That was the general principle, and it had been asserted by them at all times and in all seasons whether they sat on the Opposition or on the Government

side of the House. They always admitted, however, that there might be cases in which the executive might be called on to ask Parliament to give it a greater measure of confidence and of control than the assertion of that general principle would involve, and that was to be considered in each case. He understood it to be clear that all cases of contracts by which Parliament might be pledged, if they were implemented, to expend more money than had been actually voted for the service, must contain a provision that the money was to be applied or to be paid out of moneys to be voted by Parliament, and would contain a provision that the contract was not binding unless it was laid on the Table of the House. Whenever the House voted a sum of half a million or a million dollars for the construction of a public work, whenever it had been provided with the information which was necessary in order to enable it to reach a conclusion as to the expediency of constructing the work, and was also provided with details as to the cost of the work, the work was expected to be completed before next Session, a whole vote was taken on it. The House had then before it the whole subject; and knew the maximum amount to which it was committed. The money so actually voted the Government was empowered to expend during recess under contracts. That when the expenditure required was more than Parliament had voted, then it appeared to be the rule that no attempt should be made to pledge the House for the expenditure of the larger sum under contracts, unless they were first approved by Parliament. It was said by Mr. Todd, in his work on Parliamentary Government:

"An important question had arisen of late years with regard to contracts, to be entered into between any Department of the Executive Government and other parties, for the performance of any work or service which has been authorized by Parliament to be undertaken. It is manifest that the responsibility of entering into such contracts properly rests upon the Executive alone. But it is equally clear that the Government have no constitutional authority to make a contract which shall be binding on the House of Commons, by whom the necessary funds for carrying on the contract must be supplied; and that if any contract be entered into by any Executive department for work to be performed, the cost of which will

exceed the amount already voted by Parliament for the service to be contracted, for such contract should expressly state that payments on behalf of the same would be made 'out of moneys to be voted by Parliament;' and, in addition thereto, a copy of said contract should be laid upon the Table of the House of Commons for one month previous to its going into operation, in order to afford an opportunity to the House to express its disapproval thereof, if it should think fit to do so."

That appeared to be the general rule laid down, and it was a wholesome rule, one which he desired to see observed in all cases, in which it was consistent with the public interest that it should be observed. Therefore he was not disposed in the slightest degree to complain that this—which in some respects of the case might be regarded as a mere detail of the Bill, and capable of being remedied as no doubt it would be at a subsequent stage—should be dealt with upon the second reading. He was not disposed to complain, for two reasons: First, because he conceived that one of the great errors into which the House fell was the absence of repeated discussions on questions, and it was important, if objections were objections of detail, they should be taken at one stage and subsequently discussed at another stage. Second, because on the principle on which the Government asked the House to assent to that measure, this detail was a part of the principle. They said to hon. members that it was true in the Bill itself, but in the groundwork of the measure "We have entered into an engagement with British Columbia, by which we pledge ourselves to forthwith commence the work. We ask you for authority to provide for the engagement, and in order to make that provision we must make contracts which shall go into operation at once. We cannot expect contractors to proceed with work, if the contracts are subject to the disapproval of Parliament after the work had been entered upon, and on this special ground we ask you to make an exception from the general principle and determine that the contracts shall be binding without the assent of Parliament." Of course this was a very grave question, and its solution depended on whether the House was determined to implement the engagement with British Columbia in its entirety, or whether it was determined

MR. BLAKE.

to say: "Although prepared to implement the engagement with British Columbia in substance we think the question of parliamentary control is so important that, while we are prepared to make the necessary contracts, we are only prepared to do so subject to the approval of the House of Commons." That was the position, he apprehended, of those who were prepared to implement the engagement. The House was aware he was not of that number, that he had not felt it consistent with his duty to do otherwise than to express disapproval of the engagements made with British Columbia. His opinion had been and his opinion was, that the engagements were inconsistent with the policy of Parliament, as declared last Session, and were such as conflicted with the recitals of the Canadian Pacific Act of last Session. The declared policy of Parliament last Session was that the railway should be constructed as rapidly as the resources of the country would permit without adding thereby to the burdens of taxation on the people. He had never objected; on the contrary, he had always, privately and publicly, advised that the people of British Columbia should be invited to consider the question of a relaxation of the terms of Union. He had always been prepared to sustain any proposition to give to British Columbia a consideration, if consideration were required for that relaxation, and if the reasonable relaxation were the construction of a local work, not of Dominion importance but of importance to the people of that Province, he would be prepared, on obtaining that reasonable relaxation, to allow a reasonable expenditure to be made on a local work, simply on the ground that he believed the engagement made at the time of Union was ruinous to the people of Canada; and, in order to obtain relief from the terms of that bargain, he was willing to pay a reasonable price. He did not believe that the price proposed to be paid was otherwise than a very considerable one. The construction of sixty-five miles of railway was a local work which would involve an expenditure of two or two and one-half millions of dollars, which was certainly a large price to pay for a relaxation of terms. It was a local work which, it

* Cost of E. & N. Railway:—Compare it with aggregate cost under the provisions of E. & N. Bill, Secs. 3 & 4. See p. 32.

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might be assumed, was important to the locality, since it was what the locality asked, but a local work which was not likely to yield a large amount of profit even as a local work. The line from Esquimalt to Nanaimo was supposed to be important because it would serve to convey large quantities of coal from valuable coal beds lying along that line; but, as he understood it, there were also numerous harbors along the route, where vessels might have easy access to those coal beds, and he believed that a large portion of the coal would be shipped by sea and not by rail. Nor did the large agricultural resources of that portion of Vancouver's Island lead him to believe that there would be any extensive development of other industries besides coal mining. He would not enter into those details, because there were points to be settled by the people of the locality who had obtained the road as a consideration for relaxing the terms of Union.

MR. DECOSMOS asked what grounds the hon. gentleman had for saying this road was a compensation given to British Columbia for consenting to relax the terms of Union.

HON. MR. BLAKE said this House was asked to vote it as the price. If it were to be a part of the Pacific Railway itself this Bill was unnecessary, because there was authority to construct the Pacific Railroad. This Bill itself would be an authoritative statement on the part of Parliament, if it passed, that this line was something beyond the Pacific Railway, unless the hon. member for Victoria regarded it as a free gift. Although the hon. gentleman had an exalted idea of the generosity of the Parliament of Canada, he would hardly say that it was a free gift, and if it was not, then it must be the price of something obtained. Under the circumstances in which the country stood it was a question whether it were wise to agree to spend \$2,000,000 annually in British Columbia, and to agree to a time limit for building the main line of the Pacific Railroad when the Georgian Bay Branch and the Vancouver Island Branch were to be put under construction. It was a question whether this Parliament was not running a risk in assenting to those terms

and breaking up the policy which was laid down last Session that the burden of this country should not be further increased in constructing this railroad. In assenting to this Bill the House was practically endorsing those terms, and because he was not prepared to endorse those terms he was not prepared to assent to this Bill.

MR. MASSON said one of the terms on which British Columbia entered the Dominion was the construction of a railway from the Pacific to the Atlantic. That was severe enough to Canada, but the completion of the Confederation was a consideration sufficient to induce us to make the sacrifice. The hon. gentlemen opposite at that time objected to the terms because they were too severe to Canada. And what did those same gentlemen ask this House to do at this day? They proposed to build the Pacific Railroad, and also railways in British Columbia and Ontario which were not parts of it. Whether the road from Esquimalt to Nanaimo was the price relaxing the terms of the Union or not, it was a boon to British Columbia.

MR. DECOSMOS.—No, no.

MR. MASSON.—Well, that was the impression of those who paid for it. He (Mr. Masson) held that the Government should submit it to the people's representatives for their approval. That was the opinion he had always held. This country was willing to build the Pacific Railway, but not to expend \$11,000,000 as was proposed on lines which are no part of it. He did not think the country would approve of the policy of the Government when it had time to reflect on it. The Thunder Bay Branch was no part of the Pacific Railway, and he held that all the contracts involving the expenditure of money on the Georgian Bay Branch, the Thunder Bay Branch, and the Esquimalt-Nanaimo road should be submitted to this House for their approval.

HON. MR. MACKENZIE.—Hear, hear.

MR. MARSON.—Supposing the Premier had in view the policy of the late Government; well, the House would remember that when the late Government introduced the Pacific Railway

Bill they stated exactly the amount of money and land that would be required for its construction. At that time he held that the contracts for building the road should be submitted to Parliament. He held the same view in 1868 when the House was asked to expend money in fortifications. The hon. member for Chateauguay and the hon. Premier, on that occasion, moved an amendment declaring that, whenever a contract was entered into by the Government involving the expenditure of a greater amount than the actual grant for such contract, it should be binding until it had run for at least one month on the Table of the House of Commons without disapproval, or was formally approved of within that period. Now, that was sound English constitutional policy, and he voted with Messrs. Holton and Mackenzie on that occasion, and against the Government of which he was a supporter. Hon. gentlemen opposite might contend that this was an agreement with British Columbia and that there was a necessity for hurry. Well, was not the fortifications question, in 1868, an agreement with the Imperial Government, by which they were required to vote a certain sum of money for the construction of fortifications; notwithstanding that fact, Parliament affirmed the sound English constitutional principle that contracts involving an expenditure of money should be submitted for the approval of the people's representatives. He (Mr. Masson) had looked for more consistency from hon. gentlemen opposite, but was disappointed; and this was not the only disappointment he had experienced since this Session began; for instance, he (Mr. Masson) had opposed the late Government policy towards the Northern Railway, acting with the then Opposition; nevertheless, hon. gentlemen opposite, on coming into power, adopted that very policy—showing that they must be under the impression that they were wrong before. Their policy with regard to the Supreme Court Bill was the same. They opposed it when in Opposition—they adopted it after coming into power. But there was this difference between the present Government and the late one: Out of

MR. MASSON.

consideration for Quebec the hon. member for Kingston did not press the Supreme Court Bill. But it seemed Quebec was no longer strong enough to prevent its becoming law. With regard to the Bill before the House he contended that it was not an agreement with the people of British Columbia and there was no hurry in pressing it. If it was an agreement with the people of British Columbia the Government had no right to make it without inserting a clause, as had always been done before in such agreements, declaring that it should not be binding on the people of Canada unless approved of by their representatives.

MR. DECOSMOS said this Bill included the same principle as that of the Pacific Railway Act passed last Session, namely, that the Government might either construct the road by private enterprise or as a Government work. He was one of those who held that all the railroads within the Dominion should be constructed, owned and operated by the Government, because the people had to provide the funds by one means or another. It would do away with the large corruption funds for influencing Local Legislatures, Municipalities and Dominion Parliaments. The Government by adopting this principle were running counter to the experience of the people of the United States, who had found that railroad corporations were springs of corruption. If the Government consented to the construction of the Vancouver Island section by private enterprise, they could not prevent the use of Asiatic labour. The company would employ Chinese, who would move through the land like locusts, and when the road was completed would leave the country. If the Government, in the interest of the Dominion at large, would undertake the construction of the road themselves, they would employ white men who would be likely to settle in the Province after the road was built. He objected to section 6 of this Bill, because no time was fixed for the completion of the road. Supposing a company should get the contract for constructing, owning and operating this road at \$10,000 per mile, and a subsidy of

see the hon. member did not press the Bill. But it seemed strong enough to pass. With the House he had an agreement with British Columbia in pressing it. With the people of the Government without insertions, declaring the Bill approved of by the Government. This Bill included the last Session, might be passed by private bill. It would do no harm to all the Dominion, owned and managed, because it would do no harm to the funds by the Legislature, Parliament by adopting the Bill. It would do no harm to the people of the Province of British Columbia, found that railroads were of great importance to the Government, the Vancouver Island enterprise, the use of the company would be to move the goods, and when the Government, in the opinion of the people at large, the construction of the line would be likely to be objected to, because no company for constructing this road at a subsidy of

20,000 acres per mile, and a guarantee of interest of their expenditure for a certain number of years, they would sell their bonds at 60 or 70, and instead of the road being built for \$30,000 per mile, it would be found in the end that it would cost, through the manipulations of the company and through watering stock, \$50,000 or \$60,000 per mile. There was another point to which he wished to draw the attention of the First Minister, because it appeared to have been overlooked by him. Section 10 stated that there should be twenty miles of land granted on each side of this road. That was a physical impossibility, because the line from Esquimalt to Nanaimo would have to pass within sight of the shore almost the whole distance. The expression, therefore, in section 10 was nothing better than nonsense. So far as the land was concerned, he believed the Government of British Columbia would be perfectly willing to grant forty miles of land; but he had his doubts as to their taking the view of the First Minister and the member for South Bruce—that this line was not a part of the Pacific Railway. If it was not a part, then the Government had no right to ask for the same portion of land along the line as in the North-West Territory. Probably the member for South Bruce, who had acted the part of special pleader in this matter, would explain how, if the Government accepted the award of Lord Carnarvon, they had the audacity to come down and ask for twenty miles of land on each side of this line, if it were true that this line was to be built as a compensation to British Columbia. But the hon. member for South Bruce had evidently dictated to the Government the policy they should pursue in this matter, and having done so he was bound to rule them in this as in other matters. The member for South Bruce had spoken of British Columbia getting a large consideration for relaxation of the terms. On a former occasion he had challenged the hon. gentleman to show a single word in the correspondence of British Columbia, or in the utterances of Lord Carnarvon, that would indicate that this road was to be built as an act of compensation to British Columbia on account of

the non-fulfilment of the terms of union. He repeated that challenge now, because he did not wish the people of Canada to be deceived by an erroneous statement that could not be supported by evidence. However, in this matter, like the commander of a powerful force, he believed they could demand a surrender. For his part, he was not prepared to offer any factious opposition to the carrying out of the award of Lord Carnarvon, but he would continue to denounce what he regarded as an erroneous statement calculated to create a misconception of the real state of things between the Province of British Columbia and the Dominion. The member for Terrebonne also took the view that this road was not a part of the Pacific Railway, but that hon. gentleman looked at the matter from a party standpoint, and he could easily understand his position. On that point he would remind the House that in 1872 the Government of that day decided unequivocally that the road should continue to Esquimalt, and that the continuation should be considered a part and parcel of the Canadian Pacific Railway. That was proved by the report of the Chief Engineer, on which the Order in Council was based of the 7th June, 1873. They did more than that. They ordered their Engineer to commence the survey and to break ground. Moreover, taking the whole line from Mattawan to the Pacific it was necessary to take a reasonable view as to the course the road should take, and on reaching the Pacific coast it would be the height of folly to say that the road shall end on the top of a mountain simply because it was the Pacific coast—that it should end, in other words, at a harbor where there was no anchorage and which was not approachable. The true meaning of the Act was that the Canadian Pacific Railway should end at such a part on the Pacific as would best promote the shipping and commercial interest of the Dominion, and he would take this occasion to repeat that we had only one port on the Pacific coast where vessels might approach night and day at all seasons and find a safe harbour, and that place was Esquimalt. That fact could be established by Admiral Richards, by the

See pages 45, 46, 47.

* No right to ask for land on V. I. E. & N. Railway were not part of C. P. R.

† If E. & N. Railway was "compensation" to B. C., how could Canada ask B. C. to convey to her 896,000 acres of land along the E. & N. Railway.

British Navy, and by all nautical people, whether of the National service or of the merchant marine. That being the case, it was special pleading, if not worse, on the part of any gentleman, to say that this country was only bound to build the road to the shores of the Pacific Ocean. It was a reasonable interpretation of the agreement to say that Canada was bound to extend the line to such a point as would enable her to compete successfully with the American railways. Before concluding, he would say that he was glad that the Government had agreed to commence this work, and although it was not to be built as a Dominion public work, yet the people of British Columbia would be glad to see the work going on, not merely in their own interest but in those of the Dominion. He believed the Premier would best consult the interest of the Province as well as of the Dominion by building not only this road but the whole Pacific Railway as a Dominion public work, instead of giving it out in large contracts to great corporations. If he had one objection more than another to make, to what had already been done, it was that the Government had agreed to give the building of the Georgian Bay Branch to a company who would receive public money and public lands, and when the road was built, would own it. When sitting down he would again say that he hoped his hon. friend from South Bruce would lay before the House some evidence in support of his statement that this road from Nanaimo to Esquimalt was a compensation for the relaxation of the terms of Union with British Columbia.

MR. BUNSTER said it surprised him to hear the comments of some members of the House upon this great national work that was the only thing that could make a nation of us. He denied that the people of British Columbia had ever agreed to a relaxation of the terms of Union. When British Columbia entered into Confederation she did so upon the solemn pledge that the Canadian Pacific Railway would be built within a certain time. Nevertheless, if the Dominion was not able to build the road within that time, she was not disposed to demand the pound of flesh,

MR. DE COSMOS.

but was willing to extend the time. He objected to the disparaging way in which some hon. members had spoken of British Columbia, and claimed that that Province had now nearly 100,000 people within its borders, and if some of them were not white people they were a great deal better than the Chinese, and perhaps he might say that they were better than some people who were so fond of abusing their own country. As to British Columbia granting twenty miles of land on each side of this road, he thought that was scarcely fair. He himself knew of one hundred acres on the line of that road being sold lately for \$25,000. With the exception of a few merchants, and perhaps a few others, he contended that the people of British Columbia were not in favor of accepting the new terms. What they wanted was that the whole terms should be carried out, though they were willing to extend the time in order that that might be done. They wished to see a great national highway built across this continent, so that this country might be in a position to command the traffic of the east, as our road would admit of a shorter passage between Europe and Asia by six days and nine hours, as compared with the American roads. He regretted to see so much politics mixed up with the Canadian Pacific Railway; if there was less there would be fewer obstacles in the way. It was also to be regretted that some hon. gentlemen had seen fit to cast discredit upon British Columbia. If the people of that Province had not been loyal to the old flag, they might have had a railway from the United States in return for their allegiance to that country, but they preferred to cast in their lot with the Dominion, and they looked to the Dominion to fulfil its obligations to them. He held that Canada was amply able to build the road, that fifty million acres of land and thirty million dollars would build it, and if there had been less haggling about terms and a sincere determination to prosecute the work with energy, it might have been half built by this time, as was evident from the fact that the Americans in the midst of their war built their road over a more difficult territory than ours in three years and a half. If the interior of British Columbia was

extend the time. paraging way in bers had spoken and claimed that w nearly 100,000 ers, and if some white people they better than the he might say that some people who using their own Columbia grant- and on each side of that was scarcely w of one hundred that road being 000. With the merchants, and per- e contended that a Columbia were ng the new terms. as that the whole ried out, though extend the time ht be done. They national highway nent, so that this a position to come east, as our road shorter passage Asia by six days mpared with the regretted to see ed up with the way; if there was ewer obstacles in o to be regretted men had seen fit British Columbia. Province had not flag, they might from the United heir allegiance to preferred to cast e Dominion, and ominion to fulfil n. He held that ble to build the on acres of land llars would build en less haggling ere determination t with energy, it built by this time, the fact that the t of their war built difficult territory ars and a half. If sh Columbia was

opened up by railway the people could send their produce to the European markets as California was doing. He hoped this work would be prosecuted with vigor, and that we would soon have a railway across the continent.

MR. PALMER said this Bill involved questions of very great importance to the Dominion. He took the position that it was unsafe for the Government of this country to make any agreement or adopt any policy which involved the expenditure of large sums of public money without the sanction of Parliament. The hon. member for South Bruce said the reason why the Government should depart from that principle in this case, was because they were hampered by some arrangement made with British Columbia by the former Government, and that to enable Canada to keep faith, it was necessary for them to enter into a new agreement. A practical difficulty rose from the fact that, under the old agreement, the railway had to be built within ten years; whereas, under the new engagement entered into by this Government, the time is extended to fifteen years. But that late arrangement had never received the sanction of Parliament. If the Government were not authorized to make such an agreement, then its terms should not be binding until they were sanctioned by Parliament, and the Government could not go forward until they were able to do so in a constitutional manner. He was an advocate for the policy of carrying out in its entirety, the arrangement made with British Columbia for the construction of the railway in ten years, because that engagement was entered into at the time of union, and he believed if the Government had faithfully prosecuted that work, the people of that Province would not have complained if it had not been completed at the end of the period allotted for its completion. It was very desirable that the utmost precautions should be taken to prevent the railway referred to in the Bill falling into the hands of private members; but under the Government proposal, the Americans could obtain control of the road by purchasing a majority of the stock. He was in favor of an all-rail route through Canadian

territory, apart from an arrangement made with British Columbia, because we had not only the shortest route by land from the Atlantic to the Pacific, but also the shortest water route. He was entirely opposed to building local lines, but favored the construction of a line from the easterly point to which private enterprise would carry the railroad to the Pacific, but he was entirely opposed to any proposition made in lieu of the original agreement with British Columbia.

MR. WALLACE said he was intended(?) to the Government policy by which it was contemplated to build a road from Esquimalt to Nanaimo under the Bill proposed. If the railway were to be built at all, it ought to be constructed and owned by the Government of the country, inasmuch as our commercial highways ought not to be controlled by private individuals. He was opposed, moreover, to looking up in the hands of stockholders large portions of the public lands of the Dominion. It was true that those companies would act as good emigrant agents up to a certain period, but there would come a time when the interests of the company would be antagonistic to the interests of the country, because land would be held for speculative purposes, whereas it was to the interest of Canada that land should be occupied and settled. It had always been contended by the hon. gentlemen now sitting on the Treasury benches, that it was contrary to correct principles to give out contracts for building railways until the necessary surveys had been completed. This was one of the charges brought against the late Government, that they had entered into contracts for the building of the Pacific Railway without knowing where the railway was going to run, or what it would cost. But the hon. members themselves were now violating the principle for which they had contended when in Opposition, because both in the case of the railway provided for by the Bill, and also in that of the Georgian Bay Branch, there had been no proper surveys carried out. In the latter case one or two surveyors had walked over the line, but they could not tell within several miles where the road would be located. He

was an advocate for constructing the Pacific Railway from ocean to ocean, as a work in the interest of the country; but he was entirely opposed to it if it was to be built, owned and controlled by a company, because that was locking up lands of sufficient magnitude to comprise kingdoms. Already fault was found, on the ground that the Canada Central Company would exercise a land monopoly; but that would be as nothing compared with the monopoly that would be created in the Pacific Railway Company. He moved in amendment, seconded by Mr. Stephenson:

That this Bill be not now read a second time, but that it be read a second time this day three months.

The amendment was negatived on the following division:—

YEAS:
Messieurs

Archibald	McDonald (Op. Breton)
Baby	McDougall (Three Riv.)
Bain	McKay (Oolchester)
Bernier	Macmillan
Blake	McCallum
Bowell	McCraney
Caron	McQuade
Cimon	Masson
Cook	Mills
Costigan	Monteith
Coupal	Montplaisir
Cunningham	Moss
Currier	Mousseau
Cuthbert	Norris
Dewdney	Orton
Dugas	Quimet
Farrow	Palmer
Ferguson	Pickard
Flesher	Pinsonneault
Fraser	Platt
Gaudet	Plumb
Gill	Pope
Gordon	Pozzer
Hager	Robitaille
Haggart	Rouleau
Harwood	Rymal
Higginbotham	Scatcherd
Jones (Leeds)	Stephenson
Kirkpatrick	Thompson (Haldim'nd)
Lanthier	Wallace (Norfolk)
Little	White—62.

NAYS:
Messieurs

Appleby	Lajoie
Aylmer	Landerkin
Barthe	Langlois
Béchar	Laurier
Biggar	Macdonald (Cornwall)
Blackburn	Macdonald (Glengarry)
Blain	Macdonald (Kingston)
Borron	Macdonnell (Inverness)
Bourassa	Macdougall (Elgin)
Bowman	Mackay (Cape Breton)
Brown	Mackenzie (Lambton)

ALLAOE.

Buell	McLennan
Bunster	McIntyre
Burpee (St. John)	McIsaac
Cartwright	McLeod
Casey	Metcalfe
Casgrain	Murray
Cauchon	Oliver
Cheval	Paterson
Church	Pelletier
Cockburn	Perry
Cushing	Pettes
Davies	Pouliot
DeCosmos	Power
Delorme	Richard
De St Georges	Robillard
De Veber	Ross (Durham)
Dymond	Ross (Middlesex)
Ferris	Ross (Prince Edward)
Fiset	Scriven
Fleming	Shibley
Flynn	Sinclair
Forbes	Smith (Peel)
Fournier	Smith (Westmoreland)
Frechette	Snyder
Galbraith	Stirton
Geoffrion	St. Jean
Gibson	Taschereau
Gillies	Thibaudeau
Gillmor	Thompson (Cariboo)
Holton	Thomson (Welland)
Horton	Tremblay
Huntington	Trow
Irving	Tupper <i>du Charles</i>
Jetté	Vail
Jodoin	Wilkes
Kerr	Wood
Killam	Wright (Ottawa)
Kirk	Wright (Pontiac)
Lafamme	Young—101.
Laird	

The House went into Committee of the Whole, Mr. Young in the Chair.

HON. MR. TUPPER said, although this road from Esquimalt to Nanaimo was outside the obligations entered into by the late Government with British Columbia, he regarded it as effort made in good faith to arrange for the redemption, as far as possible, of pledges made with British Columbia, and such being the case he felt obliged to give what support he could towards carrying out those arrangements. He was driven to the conclusion that no surveys were made on this line, and that the Government were entirely in the dark at this moment as to the information which on it was absolutely necessary that contracts should be based. The Government would be obliged to supply the means for building this road—means which the hon. member for South Bruce would find he had altogether underrated. The Bill provides that the parties obtaining the contract should have a subsidy of land of fair average

* Sir John Macdonald (See pledge in O. C., June 1873;
† Sir C. Tupper (also Allan & Co. to build it.

quality, along the line of the Pacific Railway or in some other part of the Dominion where the Government owned public lands. It would be seen at a glance that it was not the intention of the Government to give lands on Vancouver Island, because the Esquimalt and Nanaimo Railroad was not a part of the Pacific Railroad.

HON. MR. MACKENZIE explained that the Government believing that the lands between Nanaimo and Esquimalt were mostly valuable mineral lands, were not willing to give 20,000 acres of them to a contractor. They had, therefore, taken power to give lands wherever they pleased along the line of the Pacific Railway or elsewhere. This clause was prepared explicitly to prevent speculators getting hold of most valuable mineral lands under the guise of contractors. With reference to the surveys, there had been a preliminary survey; that is, engineers had gone along the coast to ascertain the general lie of the lands and the points at which water could easily be touched. He proposed within a few days to have a trial survey made, which would be completed by midsummer, when steps would immediately be taken to put the line under contract.

HON. MR. TUPPER said, the Government were absolutely bound to construct this line immediately. Every contractor knew that, and also knew it would cost four times as much to do the work in British Columbia than it would in any other part of the Dominion. This being the case, the cost of building this line of 65 miles would be enormous, and would be much greater if the contracts should be let without the Government being in a position to furnish the contractors with information as to the nature of the country on the route.

HON. MR. MACKENZIE.—We will be.

HON. MR. TUPPER contended that it was impossible in the present state of information in regard to the route, to furnish the necessary information as to the amount of work required to be done and which the contractor must be furnished with in order to get the contract taken at the lowest rates and the least risk.

HON. MR. MACKENZIE.—If it will be impossible then it will not be let. I pledge myself to the House that until it is definitely known the contract will not be let.

HON. MR. TUPPER said the hon. gentleman had passed a Bill through Parliament last Session giving the Government the same power they asked for in this Bill, and the Government let the contract without the consent of Parliament, and without having a survey of the line. With such facts before the House, and with the information that the survey could not be completed before midsummer, there was no necessity for taking this power asked for. The engagement with the Imperial Government and British Columbia would be honorably and fairly redeemed to the letter, as well as in the spirit, if the Government would provide for letting contracts subject to the approval of Parliament, and for this reason, the very moment the location of the road was commenced the construction was also begun. It was so in the case of the Intercolonial Railway. The late Government regarded the work of construction as commenced when they proceeded to locate the line. He therefore moved in amendment to the 8th sub-section of the 9th clause that the following words be added:—"Provided always that any such contract shall have the previous approval of Parliament."

HON. MR. MACKENZIE said he could assent to nothing that would place the Government in such a position as would enable either British Columbia or the Imperial Government to impugn their good faith, and the amendment would have that effect. It was quite open to Parliament to reject the arrangement made, and those who voted against the second reading of the Bill objected to that arrangement. The second reading having been carried, he asked the House to place the Government in a position to keep good faith with British Columbia and the Imperial Government.

MR. PLUMB said he did not find such great sensitiveness on the part of the Government in keeping good faith on other occasions. He wished to know the meaning of the clause providing

Is this the kind of policy to be carried out now by sending out Marcus Smith to Port Moody?

Tupper's amendment see page 35. Sir John's Speech; also Tupper's note to Campbell—page 59.

Government assent refused to amendment.

Good faith asked for.

Not sensitive about good faith some times.

* No intention to give land on V. I. to contractors constructing road, but give land somewhere else.

† Valuable mineral lands between Esquimalt and Nanaimo.

‡ Bound to construct E. & N. immediately.

for the payment of four per cent. interest for 25 years on the "remainder of the contract." Would the Minister of Public Works give the House an idea of what the "remainder of the contract" would amount to?

HON. MR. MACKENZIE.—We will have an idea when the tenders are received.

HON. MR. BLAKE said his estimate was purely conjectural. He concluded that \$10,000 and 20,000 acres per mile, with a guarantee of four per cent. on \$15,000 per mile (which, upon the calculation made with reference to the Georgian Bay Branch, would amount to \$8,000 per mile) would make \$38,000 per mile, giving \$2,500,000 as the cost of the road. If it would cost a great deal more it would only add to his objection.

MR. DECOSMOS said before coming here he had crossed to Washington Territory and travelled with General Spragge over 105 miles of the road which terminated at Puget Sound. The General informed him that the cost of that road, which ran through a country similar to that through which the railroad from Esquimalt to Nanaimo was to be constructed, did not exceed \$44,000 per mile in greenbacks and they worked under great disadvantage. The line in South Oregon, some 200 miles in length, he was informed, cost only some \$18,000 for roadway, rolling stock and stations, but then a large portion of it ran through a prairie country along the banks of rivers. He mentioned these facts to show that railways of the Pacific did not cost so much as was stated by the hon. member for Cumberland. The line could be built for \$33,000 per mile. If the survey could be completed by midsummer, there was no reason why the construction of the road should not be commenced this year. If the amendment of the hon. member for Cumberland were adopted the road would not be commenced for a year longer. He (Mr. DeCosmos) believed it was sufficient for the Government of this country to get parliamentary sanction for the general policy, and then it was the duty of this House to give a liberal and generous support

MR. PLUMB.

to the Government carrying out that policy.

SIR JOHN A. MACDONALD said he understood that contractors would be asked to tender for this road. Suppose there should be a combination of contractors and they should say: "We will not accept less than four per cent. on \$100,000 per mile," would the Government refuse to let the contracts?

HON. MR. MACKENZIE.—Certainly.

SIR JOHN A. MACDONALD said if the Government should take power to refuse letting the contracts, it could be regarded as a breach of faith. There was no way of getting over it. The hon. Premier contended that if Parliament should refuse it would be a breach of faith, but it would not be a breach of faith if the Government refused. The consequence of the hon. gentleman's statement was this: he was obliged, under the penalty of committing a breach of faith both with the Imperial Government and with British Columbia, to accept the lowest tender, no matter what ground it might cover. The statement that it was a breach of faith was a fallacy. It was quite clear that it could not be a breach of faith to refuse to let a contract which was an improbable one, a collusive one, or an imprudent one for the country to enter into. There could be no reason why Parliament should not have control over the whole of those contracts. It was the hon. gentleman's own principle offered by himself on former occasions.

HON. MR. MACKENZIE said the hon. gentleman's word had carried him a little further, no doubt, than he intended to go. If he had read the Bill he would not probably have spoken as he did. The Government took power in the Bill to work the road themselves if they found it more advantageous in the public interest to do so. If they found that such a combination as suggested—which he did not think at all probable—would occur; they had power to proceed with the execution of the work themselves. That, he apprehended, would be keeping good faith. He knew that the hon. gentleman had made this remark without looking at that section of the Bill, and if he had done so he would have saved himself a

* See Sec. 10 E. & N. P. Bill

Blake's estimate of cost of E. & N. section of C. P. R., \$2,500,000. See page 30, also 24.

Northern Pacific Ry.

\$33,000 a mile, how soon construction could be commenced.

Tupper's amendment would postpone commencement a year.

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somewhat awkward speech.* The hon. gentleman and his late colleague voted for the second reading of the Bill, as they were bound to do. The fact was that the extraordinary and imprudent arrangement made by the late Government with British Columbia was one that he (Mr. Mackenzie) had opposed as long as it was possible to oppose it. When he assumed the leadership of the Government he had to deal with this subject. He had to allay feelings of discontent and inquietude in that Province, and to do what he could to restore that feeling between the Province and the rest of the Dominion which was essential to the continuation of the union. Finding themselves in that position, the Government had to make the best arrangement possible under the circumstances. They did their best to economize the public funds, and, at the same time, to give reasonable satisfaction to those with whom the late Administration had made a special agreement. But supposing that the hon. gentleman's argument was conclusive, which it was not, how would it apply to those who made a bargain to build the entire road in ten years? Supposing such a combination were formed under that bargain, how could faith have been kept? Of course, we know it never was intended to keep faith, because that was impossible, and every member of the then Administration and Parliament knew it was impossible to keep faith. He did not propose to do anything but what he believed they could do, and he had not proposed to do anything but what he believed to be within the preamble of the Bill of last Session, which was to the effect that the taxation of the people, as it was when the original bargain was made, should not be increased.† It would be found that he so informed the Imperial Government in the last despatch sent on this subject. Believing that they would be able to keep their obligation with the public not to increase the taxation, and at the same time restore harmony between British Columbia and the rest of the Dominion, they had adopted the course they did, and they had introduced this Bill as an evidence that they were determined to proceed as rapidly as possible with the fulfil-

ment of this part of their obligation. It might be that in some details the Bill might be improved, and if this could be shown he would be willing to make any modification, but he could not consent to change the principle of the measure.

HON. MR. TUPPER said the hon. gentleman had given no answer to the point he had raised, namely, that the location of the road was a commencement of the work; and that, therefore, in order to keep good faith, it was only necessary to proceed with the location of the line before next Session.

HON. MR. MACKENZIE wished to ask one question—would the right hon. leader of the Opposition say that the commencing of a survey was the commencement of the construction of the road within the terms of the agreement with British Columbia of 1872. He was perfectly aware that the hon. gentleman had sent a telegram something to that effect; but it was well known that the Government of British Columbia refused to recognize that as a commencement of the road. Now he would like to get the legal opinion—not the parliamentary opinion—of the hon. gentleman upon the point as to whether the beginning of a survey was the commencement of the construction of the line.

SIR JOHN A. MACDONALD said he had no doubt that a location survey was as much a commencement of the construction of the railway as the actual breaking of the ground; but he would not consider that preliminary surveys were the commencement of construction.

HON. MR. MACKENZIE said that the hon. gentleman when he was the leader of the Government, had applied to have the land on Vancouver Island set apart for the railway, upon the ground that the survey had commenced. The Local Government refused the application, and the gentleman made no further attempt to get the law carried out, which he was bound to do if it were true that the beginning of a survey was legally the beginning of the construction of the line.

SIR JOHN A. MACDONALD said the circumstances were these: The Gov-

Bill intended to enable Government to build E. & N. as rapidly as possible.

Is commencement of the survey commencement of construction?

B. C. denies it.

Location survey was commencement.

Preliminary survey not a commencement of construction.

Macdonald Government applied for land in V. I.

* Sir John Macdonald and Sir Charles Tupper, see page 30. † Discontent in B. C. ‡ See Tilley on taxation.
§ Local Government refused to convey as the line had not been located, but reserved the land; Dominion Government accepted reserve as sufficient. See pages 145, 147, 149, of Railway Papers.

ernment were informed that the lands of the Island were eagerly sought after by speculators and were afraid that the lands for the railway would be handed over to other parties or pre-empted, and they, therefore, applied for the conveyance of these lands to them by British Columbia. The answer of the British Columbia Government was that they would not convey them but would reserve them.*

See note below.

HON. MR. MACKENZIE.—They were bound to reserve them.

False statement; no such agreement was made.

SIR JOHN A. MACDONALD.—Only for two years. They claimed that the work was not commenced until the actual work of construction was begun, and they agreed, if the Government of Canada were afraid that at the end of two years the land would be gone, to reserve it. That was all the Government wished, and, therefore, they agreed to that arrangement.†

Tupper's assistance! See his vote, page 35. Sir John's Speech 35.

Tupper's Note 59.

HON. MR. TUPPER said that he hoped that the First Minister having taken the legal opinion of the gentleman of his own selection, he would now abide by that opinion. He was glad to have that point disposed of, because it was important. He was disposed to do anything towards assisting the First Minister to carry out in good faith the engagement of this country. But apart from all that he contended that the actual progress of the work would be advanced by the Government spending the whole of the ensuing season in procuring an exhaustive survey of the line. No man, who had the slightest knowledge of railway construction, would deny that the utmost care should be taken in the location of the line, and even after all the care that could be bestowed upon it, it was frequently found that very large sums of money could be saved by making changes in the location as the road progressed. He held that if this plan was adopted no time would be lost. In the first place, if the Government carried out their own plan, tenders would have to be asked for. Now, as this work was 3,000 miles away from headquarters, and from the places where most of the large contractors live, it would be necessary that the Government should be in a position to lay before the parties who desired to

SIR JOHN A. MACDONALD.

tender the fullest information respecting the work that would be required of them. Even in the case of a railway that was at our doors, this was necessary; but it was far more necessary in the case of a work at such a great distance away. The Government were, therefore, bound in the public interests to obtain the fullest information about the work before they asked for tenders.

HON. MR. MACKENZIE. They intend so.

HON. MR. TUPPER. Then every person familiar with railway construction must know that in view of the fact, only an exploratory survey of this line has yet been made.‡ It will take the whole of next season to obtain the information which it was necessary to have in order that contracts could be let at the lowest possible rates. It was quite true that this Bill contained a clause that the work might be undertaken by the Government; but, if this were done, there would be even a greater necessity for the Government to obtain very full information before they commenced the construction of the road. Before he sat down he would remind the hon. gentleman from British Columbia that there was no inconsistency in this matter. The contract in this case was different from those to which the Government did not require the assent of Parliament. The original contract was one with regard to which the means which the Company were asked to give were distinctly specified by Act of Parliament. There was, therefore, no inconsistency in requiring that the contract in this case, the amount of it being as yet entirely unknown, should be submitted to Parliament.

MR. BUNSTER said he had been all over the country through which this road would pass. The gradients were easy; the road would run from one good harbour to another, and would have a traffic of three hundred thousand tons of coal per annum, which of itself would be sufficient to cover the working expenses.

SIR JOHN A. MACDONALD said the Premier had stated he expected to be in a position to ask for tenders by mid-

* See correspondence on subject, pages 145, 147, 149, &c., Railway Papers. No speculation mentioned.

† The Papers show nature of agreement adverse to this statement.

‡ Exploratory survey made 1874-5, &c., maps made also.

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ONALD said the
expected to be
tenders by mid-

summer. That was very early, but
supposing that were the case, and that
after tenders were received they were
such that the Government could not
accept. The Government would then
have to proceed with the work them-
selves; but before doing so they must,
under the Bill, submit it to public
competition. He supposed at least
six weeks would be given for the
receiving of tenders in the first
instance, then more time would have
to be given for offering the work to
public competition, and the time for
the meeting of Parliament again would
be round before very little could be
done. Therefore, no time would be
lost if Government would, during the
recess, obtain complete surveys and
have the contract ready for submission
to Parliament at its next Session. If
this proposition was not accepted the
hon. gentleman would find, from bitter
experience, that he had assumed a
responsibility which he would regret.

MR. DeCOSMOS said it had been stated
that the work of construction could
only be carried on for three months in
the year. That was entirely incorrect,
as the work could go on for the whole
year.

HON. MR. TUPPER said that was an
additional reason why Parliament
should be allowed the opportunity of
passing upon the contract, because
immediately after the contract was
confirmed the parties could go to work.

HON. MR. MACKENZIE said the leader
of the Opposition had assumed that
they did not intend to have a complete
survey. They did intend to have a
complete survey; but if, contrary to
the opinion of the engineers, it could
not be completed in time to have the
work begun before the meeting of
Parliament, he would, as he had done
with the Georgian Bay Branch, give
Parliament an opportunity of pronoun-
cing upon the contract. But if, on the
other hand, they were obliged to lay on
their oars and do nothing, waiting for
the meeting of Parliament, he knew
that the cry would be, and it would
come from more than one quarter.

The amendment of Hon. Mr. Tupper
was put and declared lost.

HON. MR. TUPPER called attention to
the absence of a clause which was
contained in the Georgian Bay contract,
which provided that the railway would
be forfeited to the Government if the
parties constructing it failed to work it.

HON. MR. MACKENZIE. That will be
put in the contract.

The various sections of the Bill were
adopted with slight alterations, and the
Committee rose and reported the Bill
with the amendments, which were read
the first and the second time.

HON. MR. MACKENZIE moved the third
reading of the Bill.

HON. MR. TUPPER moved that the
Bill be not now read the third time,
but that it be referred back to the
Committee of the Whole with instruc-
tions to add the following words to the
8th sub-section of the 3rd clause:—

Provided always that any such contract
shall have the previous approval of Parlia-
ment.

A division was taken on the amend-
ment with the following result:—

YEAS:
Messieurs

Archibald	McKay (Colchester)
Baby	McMillan
Bain	McCallum
Bernier	McCrany
Blake	McQuade
Burk	Masson
Caron	Mills
Cimon	Monteith
Cooke	Montplaisir
Costigan	Mousseau
Coupal	Norris
Cunningham	Orton
Cuthbert	Quimet
Dewdney	Palmer
Dugas	Pickard
Farrow	Pinsonneault
Ferguson]	Plumb
Flesher	Pope
Fraser	Richard
Gaudet	Robitaille
Gill	Rouleau
Gordon	Ryan
Hagar	Rymal
Haggart	Scatcherd
Harwood	Schultz
Hurteau	Smith (Peel)
Jones (Leeds)	Stephenson
Kirkpatrick	Thompson (Haldimand)
Lantier	Tupper
Macdonald (Kingston)	Wallace (Norfolk)
McDonald (C. Breton)	White
McDongall (Renfrew)	Wright (Ottawa).—64.

NAYS:
Messieurs

Appleby	Killam
Aylmer	Kirk

* Sir John's prediction accounts for throwing out C. & N. Bill in Senate. See Tupper's Note to Campbell's, page 59. See Vote of Conservatives in Senate defeating E. & N. Bill, pages 37, 38. See Votes on Division, page 35, and Third Reading, page 36.

Barthe	Laflamme	Dymond	Ross (Middlesex)
Bechard	Laird	Fiset	Ross (Prince Edward)
Bertram	Lajoie	Fleming	Scriver
Biggar	Landerkin	Flynn	Shibly
Blackburn	Langlois	Forbes	Smith (Selkirk)
Borden	Laurier	Fournier	Smith (Westmoreland)
Borron	Macdonald (Cornwall)	Frechette	Snider
Bowman	Macdonald (Glengarry)	Galbraith	Stirton
Brown	Macdougall (Elgin)	Geoffrion	St. Jean
Buell	MacKay (Cape Breton)	Gibson	Taschereau
Bunster	Mackenzie (Lambton)	Gillies	Thibaudeau
Burpee (St. John)	McLennan	Gillmor	Thompson (Cariboo)
Cartwright	McIntyre	Higinbotham	Thompson (Welland)
Casey	McLeod	Holton	Tremblay
Casgrain	Metcalf	Horton	Trow
Cauchon	Oliver	Huntington	Vail
Church	Paterson	Irving	Wilkes
Cockburn	Pelletier	Jetté	Wright (Pontiac)
Cushing	Perry	Jodoin	Young.—91.
Davies	Pettas	Kerr	
DeCosmos	Pouliot		
Delorme	Pozzer		
De St. George	Robillard		
DeVeber	Ross (Durham)		

The Bill was then read a third time and passed.*

EXTRACTS from the "Debates of the Senate of Canada, 2nd Session, 3rd Parliament, 1875," on the Esquimalt and Nanaimo Railway.

SENATE.

Tuesday, 6th April, 1875.

ESQUIMALT AND NANAIMO RAILWAY.

HON. MR. SCOTT (Page 738) moved the second reading of the Bill to authorize the construction of a railway from Esquimalt to Nanaimo, in British Columbia. He said that owing to the failure to carry out the Terms of Union with British Columbia, it became necessary to enter into negotiations with her in order to effect a better understanding, and to the relief of Canada from the very stringent Terms of the Union. Consequently, Mr. Edgar visited that Province last spring, with a view to conciliating the people and ascertaining their feelings in reference to extension of the time for carrying out the Terms, or building the Pacific Railway. It was then suggested, among other things, that the Government of Canada should build a railroad on Vancouver Island; that was conceded rather through the interference of the Imperial Government, who thought it was a concession that might fairly be made, and it was in accordance with the desire of the Dominion, to create a

HON. MR. TUPPER.

state of good feeling in British Columbia. We had been obliged to extend very considerably the time of the completion of the railway. This island road was to be built under terms similar to those of the Bill authorizing the construction of the Canadian Pacific Railway: †20,000 acres and \$10,000 a mile would be given for its construction, a further sum of four per cent. on the amount stated in the tender. In consequence of Government having undertaken to lose no time in the construction of this work, it was impossible to complete the surveys and have the contracts prepared at the meeting of Parliament. Government, therefore, asked authority to accept tenders and give out the work after Parliament rose. There was, however, a provision in the Bill that if the work was not undertaken before next year, the contracts would be submitted to the House.

* * * * *

HON. MR. DICKEY said * * (Page 742.) The ground of a treaty was the only one possible upon which this Bill could be defended. This railway was already a local line. Lord Carnarvon's despatch of the 17th November, stipulated that two millions a year should

E. & N. Bill.

Edgar suggested E. & N. section. See O. C. of 1873.

* In Votes and Proceedings, 1875, page 281: "The said Bill was then read a third time and passed on the same division reversed." ✕

* See Vote in Amendment, p. 36, 35.

† Cons. of E. & N. R. Sec. 39.

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be the minimum spent on the Pacific Railway by Canada "from the time at which the surveys are sufficiently completed." The Government, certainly, had given no intimation of the arrival of that period. The expenditure of these two millions, therefore, could not be begun till the surveys were completed.

HON. MR. SCOTT said the two millions on the main land were entirely over* and beyond the Island obligation.

* * * * *

HON. MR. LETELLIER DE ST. JUST (Page 746) said the Bill now before the House had been accepted by the Commons as one of those necessities bequeathed this Government by their predecessors. When British Columbia was annexed to this Dominion it was found necessary to enter into a treaty by which we bound ourselves within a certain time to build a railroad from the Pacific to connect with the railway lines of the Dominion. But the works were not proceeded with according to the agreement, and the bargain was not kept with British Columbia.† Then that Province had some reason to complain that we had not kept our part of the obligations. They brought their case before Lord Carnarvon, as the British Government had been a party to the treaty, and they complained they had not been fairly treated by Canada. In accordance with the noble Lord we took into consideration the strong claims of British Columbia, and this Bill was the result of the compromise that had been effected. * * * (Page 747). We were bound to show British Columbia good faith, not in carrying out the original proposition, which was out of the question, but the present one submitted in its place. He admitted the burden was a heavy one for us to bear, but the stipulations of the treaty must be fulfilled. It was impossible for the Government to submit the contract before next year; therefore, if Parliament insisted upon the contract being submitted, the work could not be gone on with by the time agreed upon.

HON. MR. MILLER wished to state briefly the reason why he would sup-

port the Bill. He was one of those who had voted for the admission of British Columbia into the Confederation, on the terms of the construction of a Pacific Railway. He (Mr. Miller) would not now discuss the wisdom or unwisdom of the terms of admission granted to the western Province, but he did not admit that the Pacific Railway was a purely British Columbian affair. It was a national undertaking in which the whole Dominion, from Cape Breton to Vancouver Island, was deeply concerned. The greater portion of the whole line was necessary to the carrying out of their colonization policy in the great North-West Territory. But it was true British Columbia had the greatest interest in the Pacific Railway, which they found they were now unable to construct according to the Terms of Union with that Province, and therefore had a just ground of complaint against the Dominion. The line of railway proposed by the Bill was in satisfaction of the breach of the original terms, and had been recommended by the Imperial Government. Was it wise in this House to reject the compromise made under such circumstances? He did not think it would be wise or policy to do so. As one of those who had supported the original terms made with British Columbia, he felt bound to support this Bill, which was a compensation for the non-fulfilment of those terms. The rejection of this Bill would neither improve their relations with that Province or the Imperial Government, and he hoped therefore the measure would become law. He (Mr. Miller) at any rate would not take the responsibility of voting against it, whatever he might feel with regard to the burden the work would impose on the country.

After remarks made by Hon. Messrs. Vidal, Howlan and Scott, Hon. Mr. Aikins' amendment, giving the Bill the six months' hoist, was put to vote and carried by 23 to 21, as follows:—

CONTENTS.—The Honorable Messrs. Aikins, Alexander, Allan, Armand, Bellerose, Benson, Campbell, Chapais, Chinic, Dever, Dickoy, Dumouchel, Flint, Hamilton (Inkerman), Hamilton (Kingston), McLelan, Macpherson,

B. C. just grounds of complaint against Dominion.

Bound to support E. & N. Bill.

See p. 35 Sir John, p. 59 Tupper.

Conservative vote killing E. & N. Bill.

* Expenditure of E. & N. Railway not included in \$2,000,000.

† Treaty broken, B. C. complained, and Carnarvon terms a compromise. ‡ Present Minister Inland Revenue.

Penny, Read, Ryan, Seymour, Trudel, Vidal.—23*.

NON-CONTENTS. — The Honorable Messrs. Baillargeon, Brown, Bureau, Carrall, Chaffers, Christie (Speaker),

Cormier, Cornwall, Haythorne, Howlan, Leonard, Letellier de St. Just, Macdonald, Miller, Montgomery, Muirhead, Pâquet, Scott, Simpson, Skead, Wark.—21.

EXTRACTS from the "Debates of the House of Commons of the Dominion of Canada, 3rd Session, 3rd Parliament, 1876," on the Pacific Railway.

HOUSE OF COMMONS.

Friday, 31st March, 1876.

The Speaker took the Chair at three o'clock.

THE PACIFIC RAILWAY.

On item \$2,810,000, Pacific Railway,

HON. MR. MACKENZIE. * * (Page 979.) We have felt from the first that while it was utterly impossible to implement to the letter the engagements entered into by our predecessors, the good faith of the country demanded that the administration should do everything that was reasonable and in their power to carry out the pledges made to British Columbia, if not the entire obligation, at least such part of it as seemed to be within their power and most conducive to the welfare of the whole Dominion, as well as to satisfy all reasonable men in the Province of British Columbia, which Province had fancied itself entitled to complain of apparent want of good faith in carry out these obligations. In endeavoring to accomplish this result we have had serious difficulties to contend with, to which I shall shortly allude. I called the attention of the hon. members for British Columbia, in the first Session of this Parliament, to the utter impossibility of commencing the actual works of construction then. This Government succeeded to office some five or six months after the time had elapsed within which the Government of Canada were bound by the Terms of Union to commence the construction of the Pacific Railway. And yet, at that time we found that the surveys

HON. MR. MILLER.

in no part of the territory, from Lake Nipissing to the Pacific, were in such a condition as to justify the Government in taking any steps whatever towards placing any part of the line under contract. * * (Page 980.) The shortest route had always been kept in view. British Columbia has felt herself peculiarly interested in this matter, more so, perhaps, than any other Province in the Dominion, and the Columbians were inclined to look upon the Terms of Union more as a contract to build the railroad within a given time than as a joint compact to be observed for the benefit of the Dominion. * * I have now to refer to the difficulties encountered in making these surveys. During the time which has expired from the initiation of the project to the present time, there has been expended in surveys the following sums, up to 31st December, 1875, east of the Rocky Mountains:—

From beginning to June 30, 1872	\$194,125 40
" June 30, 1872 to June 30, 1873	348,967 50
" " 1873 " " 1874	199,156 25
" " 1874 " " 1875	290,873 80
" " 1875 to Dec. 31, 1875	246,769 10

Total.....\$1,276,892 10

The amount expended in British Columbia:

From beginning to June 30, 1872	\$295,302 70
" June 30, 1872 to June 30, 1873	215,850 90
" " 1873 " " 1874	111,068 50
" " 1874 " " 1875	183,656 40
" " 1875 to Dec. 31, 1875	204,137 60

Making a total expenditure west of the Rocky Mountains, of \$1,010,016 30

The total expenditure on Surveys over the whole line.....\$2,286,907 50

* In the Journals of the Senate for 1875, the division includes the name of Mr. McMaster making Contents 24.

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that the survey of the 600 or 700 miles west of the Rocky Mountains set within a quarter of a million of the entire amount expended from these mountains to Lake Nipissing. * * * (Page 983.) If British Columbia were to act with consideration for national interests with regard to the obligations assumed by the Dominion at the time of the Union, it undoubtedly would be the policy any Administration would seek to carry out to examine the country more thoroughly before action. With the irritation that is felt by many in British Columbia, and the constant complaints made, it is doubtful whether the country would be justified, even for a permanent advantage, unless that there of so very decided and conclusive character as to be apparent at sight, in pursuing such a policy. * * * (Page 98.) With regard to the section of railway proposed to be built between Esquimalt and Nanaimo, an Act for the construction of which this House gave its assent to last Session, that question was determined when the Bill was thrown out of the Senate, and certain action on the part of the Government was rendered necessary, regarding which I do not deem it necessary to speak to-night, for our policy has been sufficiently declared, and may form the subject of approval or attack by the hon. gentlemen opposite. It has been assumed that as this road is not to be constructed, the rails shipped to British Columbia are, therefore, utterly useless. That is a great mistake. If we are able to commence the work of construction this coming year in British Columbia, these rails would be required. It may be said to be impossible to commence the construction of the road in British Columbia without having rails on the spot. From Bute Inlet up the Valley of the Homathco there is not an acre of ground for seventy miles where it is possible to grow anything for the sustenance of life; so all that is required in the way of supplies for the force will have to be transported to wherever they are at work. It fortunately happens that there is some good lumber at almost every place where lumber will be required. But anything else must be taken from the sea-board, and it is of the utmost importance

—in fact a necessity—that the rails should be on the spot in order to enable us to proceed with the work and carry supplies and material forward as the work proceeds. There are five thousand tons in British Columbia, and if we have erred in sending them there we have simply erred in our earnest desire to show the people of British Columbia that we are desirous of keeping faith with them, that our speeches were not mere empty promises, and that we were resolved to place ourselves in a position they could not misunderstand. * * * I will not say anything further to-night. I confess, after a week's work, I feel a little tired, and I shall be glad, either on this or any other item of the Estimates, to offer the fullest information I can to any hon. gentleman who may desire it.

* * * * *
HON. MR. TUPPER. * * * * *
(Page 939.) Then, with reference to British Columbia, elaborate correspondence had been laid on the Table showing everything had been brought to a dead-lock there; but he had not told the House what he intended to do to meet that difficulty. He could not ask this Committee to discuss this question without giving some slight insight into the policy of the Government.

HON. MR. MACKENZIE. * * * * *
The British Columbia question had been before the House for weeks, and was perfectly understood by everyone who desired to look into it. * * *

HON. MR. TUPPER said he had followed the hon. gentleman closely and failed to learn what was proposed to be done in regard to the great question of the Canadian Pacific Railway. The British Columbia papers merely showed that the Government had succeeded in bringing matters to a dead-lock, and the Premier was bound to tell the House, before asking it to vote this large amount, what he intended to do.

HON. MR. BLAKE. The last paragraph in the papers will show.

HON. MR. MACKENZIE. I said our policy from the first was to do everything in our power to keep the bargain the hon. gentleman and his friends made, and nothing will be lacking on

5000 tons
Rails in B. C.

See O. C.
Sept. 1875.

our part to bring it to a successful conclusion in British Columbia. I have shown pretty conclusively that nothing I am aware of has been left undone that could be done. I do not know what the hon. gentleman wants.

HON. MR. TUPPER said if the Premier insisted on going on with the discussion he would be obliged to address the House, even at this late hour. The hon. gentleman had begun his remarks as usual by denouncing the late Government for entering into serious obligations with British Columbia. According to the most recent declaration of the hon. gentleman on this subject, no such obligations were imposed upon him by the late Government. The difficulties were of his own assuming. Instead of lessening the obligations, he had increased them in a most extraordinary degree. * * (Page 990.) Then there came Mr. Edgar's mission to negotiate new terms in British Columbia. The Premier had declared there was no obligation to carry the road west of the head of Bute Inlet. Mr. Edgar proposed to entail upon the country the cost of constructing the Esquimalt and Nanaimo Railroad. He (Mr. Edgar) coupled that announcement with a letter, in which he stated that the Ottawa Government would not secure any alteration in the terms without the sanction of the people of the Province. Here was such a declaration on the part of the delegate from this Government, and yet hon. members had the fact before them in connection with the proposal to abandon the whole of the arrangements made with Lord Carnarvon, with relation to the Nanaimo and Esquimalt Railway, that the hon. gentleman withheld this information from the people of British Columbia, although the elections were about to take place, until it was too late for the people themselves to have any opportunity of expressing an opinion regarding the matter. A Bill was introduced last Session for the purpose of providing for the construction of the branch from Nanaimo to Esquimalt. The hon. gentleman said that evening that the Government was unable to act upon it because it was defeated in the Senate. There was a very curious fea-

HON. MR. MACKENZIE,

ture in connection with this question, and it was this: In the first place the hon. gentleman never required to go to the Senate with this Bill at all. The hon. gentleman had stated in reply to the hon. member for Bruce—now Minister of Justice—when the latter enquired what he proposed to do with regard to the terms agreed upon with Lord Carnarvon, that he (Mr. Mackenzie) had nothing to ask from the House; and that he relied upon the House to sustain the Government in the policy they might follow. The fact was, that under the Bill which the late Administration had placed on the Statute-book, the Government had the power to fix the terminus of the Canadian Pacific Railway on the Pacific coast, where they pleased, by an Order in Council—at Esquimalt for instance—and they could have constructed a railway from Nanaimo to Esquimalt without further authority from Parliament, yet the hon. gentleman had come before the House, and having passed his Bill through it, sent it up to the Senate, where it was defeated by the friends of the Government, by the votes of the two of the strongest supporters they had in the House.

HON. MR. BLAKE. Twenty-two and not two defeated it.

HON. MR. TUPPER. The twenty without the two could not have defeated it. The majority that defeated the measure was secured by the support of two of the strongest and most confident supporters that the Government have in that end of the building; and taken in connection with events which transpire in this House, the people of British Columbia might naturally come to the conclusion that this was not unexpected and not undesired by the Administration itself. * * * (Page 993.) Then they had the terms made with Lord Carnarvon. The hon. gentleman complained that, although the obligations the late Administration had incurred were qualified by the resolution they found it very convenient now to quote, under this they could not shelter themselves; and notwithstanding that resolution, the hon. gentleman knew that the question was re-opened, and that he (Mr. Mackenzie) had undertaken, on the part of the

With this question, the first place the speaker required to go was this Bill at all. The speaker stated in reply to the hon. gentleman for Bruce—now when the latter proposed to do with the Government upon which at he (Mr. Macdonald) was to ask from the Government to rely upon the Government in the Bill which the Government had placed on the table. The Government had the opinion of the Canadian Government on the Pacific coast, by an Order in Council for instance—have constructed a railway to Esquimalt from Victoria. The hon. gentleman had said in the House, and having done it, sent it up to the House, and it was defeated by the Government, by the strongest support in the House.

Twenty-two and

er. The twenty-two did not have defeated that defeated the Government by the support of the Government in the building; and with events which took place in the House, the people might naturally suppose that this was not undesired by itself. * * * They had the terms of the contract. The hon. gentleman stated that, although the Administration was qualified by the rest of the Government, very convenient for this they could do; and notwithstanding, the hon. gentleman stated the question was the part of the

Government, to make a binding contract with Lord Carnarvon for the construction of this road, which, according to the hon. gentleman's own statement that evening, was over 2,000 miles in length from the shore of the Pacific Ocean to the shores of Lake Superior, within 15 years. Fourteen years of this period—up to 1890—remained to expire, within which the faith of Canada was pledged, not only with British Columbia, but with the Imperial Government to carry out this great work. Hon. gentlemen would observe that this agreement was entirely unqualified, and what had been placed on the Statute-book had naturally repealed the resolution passed by the late Administration to qualify their obligations. He had examined the papers submitted, and had been unable to find any qualification whatever in these terms. The hon. gentleman had himself stated in Parliament last Session that the conditions imposed by Lord Carnarvon had been accepted, requiring an expenditure of \$2,000,000 per annum in British Columbia, the building of the road from Nanaimo to Esquimalt, and the completion of the line from the shores of the Pacific to Lake Superior by the year 1890. So that these hon. gentlemen who complained so loudly of the great obligations imposed on the country by the late Government and of the ten years' limitation, had undertaken to make an unqualified contract with the Imperial Government and British Columbia to build these 2,000 miles of railway in the course of fifteen years, of which fourteen had yet to elapse. * * *

HON. MR. BLAKE (Page 997) stated that owing to the lateness of the hour, in answer to the hon. member for Cumberland, he would merely notice the salient points contained in the speech of the hon. gentleman. He trusted that the hon. members for British Columbia and elsewhere, and the country at large, would thoroughly appreciate the declaration which the hon. member had made in his opening remarks, and which they were to assume, unless it was repudiated, was endorsed by those whom the hon. member frequently led in the House, and for whom the hon. member was an active and energetic spokesman. The

hon. gentleman, on behalf of his late colleagues, stated that, in connection with their obligations to British Columbia, they were absolutely controlled by the resolution which had so frequently been referred to. He trusted the country would now understand what was alleged by the hon. gentleman—that those were the terms comprised in the articles of Union providing for the commencement of this railway within a period of two years, and its completion within ten years; if they had found it impossible to do so without increasing the taxation of the country, they would not have been under any obligation whatever to British Columbia to build a mile of this road. This, at present, was the statement of the hon. gentleman. He knew that the hon. gentleman had previously made the declaration in the country, but this was the first time when this interpretation had been made in the House by a gentleman occupying his prominent position in his party. With this he would contrast a statement made by the hon. gentleman's leader on the occasion of the general elections of 1874, when the right hon. gentleman addressed his constituents with reference to a declaration made by his hon. friend (Mr. Mackenzie) to the electors of Sarnia regarding the Terms of Union, to the effect that the compact made with the late Government was impossible of fulfillment, and that some relaxation of these terms was requisite. The right hon. member for Kingston then held that this declaration would entitle British Columbia to secede from the Union; that the faith of the country was pledged to the fulfillment of these conditions—not as the hon. member for Cumberland had qualified them a few moments ago, but to the commencement of the railway within two years and to its completion within ten years. He would also contrast the statement of the hon. member for Cumberland with another statement made by the right hon. member, and they knew these contrasts were sometimes of a most striking description. The hon. gentleman had made a speech during the previous Session, with regard to the exposition of the Pacific Railway policy of the Government by his hon. friend the First Minister, and he had

Railway to be commenced in two years.

then alluded to the arrangements made with British Columbia, which he qualified in another tone this evening. The hon. gentleman now held that the arrangements made with Lord Carnarvon were onerous, extravagant and improvident, and that the contract made with the Imperial Government largely increased the burdens of the country as they existed under the terms in question. On page 514 of the *Hansard* would be found these remarks, made by the hon. gentleman :

"But, Sir, the fact that the engagements which the First Minister has just stated were entered into with British Columbia during the past season, sets at rest forever any question as to whether we are in a position that would allow to doubt and hesitate a single instant what course to pursue. I am not going to call in question the propriety of this engagement for a moment."

Onerous, extravagant and improvident, and unnecessarily and largely increasing the burdens of the country, as the hon. gentleman now held should be. The hon. gentleman continued :

"I feel that the Ministry of the day are entitled to the support of this House, and especially the gentlemen who sit on the Opposition benches, in any measure which is required to carry out the pledge—perhaps a somewhat imprudent pledge—that was given by their predecessors in relation to this great work; and I feel they may look with confidence to this side of the House for the most energetic support of the measures they have taken—I believe wisely taken—for the redemption of that pledge."

He (Mr. Blake) had not occupied the position of an enthusiastic admirer of the Carnarvon Terms at that time, although a devoted follower of his hon. friend the Premier; he had never hesitated to say so, but the position taken by the hon. member for Cumberland then did not agree with the position he took to-day. While dealing with the question of past and present utterances, he would make another elegant extract from the utterances of the hon. member upon the second reading of the Bill touching the Carnarvon conditions. A motion was made by an hon. gentleman who sat behind the hon. member for Cumberland, that the Bill should not be read the second time that day, but that it be read the second time that day three months; the hon. gentleman and his leader voted against that motion, and for the second reading.

HON. MR. BLAKE

Immediately afterwards the hon. member for Cumberland said :

"That although this road from Esquimalt to Nanaimo was outside the obligations entered into by the late Government with British Columbia, he regarded it as an effort made in good faith to arrange for the redemption, as far as possible, of pledges made with British Columbia, and such being the case, he felt obliged to give what support he could towards carrying out those arrangements."

The hon. member for Cumberland then stated that the measures wisely taken by his hon. friend the Premier, received his hearty and energetic support, and were entitled to receive such from his friends; nevertheless, the great mass of the hon. gentleman's supporters voted against the Bill. He (Mr. Blake) had no doubt that the hon. members from Kingston and Cumberland did all in their power to secure a contrary result; after their public declarations, this was their duty, and their situation was indeed painful. He was, however, obliged to hold the hon. gentlemen on the other side of the House responsible for the loss of the Bill, because their friends in the Senate voted against it, with one or two gentlemen who usually supported the Government. The hon. gentlemen were in some embarrassment in dealing with the question of the construction of this railway, owing to divisions in their ranks; and the opinion of the right hon. member for Kingston was known to be directly opposite to that held by the hon. member for Cumberland. The right hon. member for Kingston had publicly declared that he always thought that the road might be constructed and operated as a Government work; and that advantage had been taken by his absence at Washington on public business, to introduce a contrary provision. The hon. gentleman stated that the mission of Mr. Edgar to British Columbia had relation to an additional charge upon the people of this country with reference to the proposal to build the Nanaimo and Esquimalt Railway, and also that the Government had the power by an Order in Council to fix the terminus at Esquimalt. Was there then an additional burden proposed? No; they stated that under the terms of Union the railway was not proposed to be carried beyond the bounds of the Pacific, and he said so still; but the

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policy of the late Government was to go beyond the Pacific seaboard. Their policy was to go to Esquimalt, and it was unnecessary to consider what patriotic motives dictated that policy, what was the situation of members in the House, and what amount of pressure was brought to bear from British Columbia. It was surely extreme audacity for the hon. gentleman who deliberately added this to the other obligations of the country, to complain because a part only of that which he endeavored to engraft upon the arrangements was proposed to the British Columbians with a view of getting some relaxation of the other too tightly arranged Terms of the Union. The hon. gentleman answered that very easily by saying that the pledge to the Province was of no consequence at all. The position assumed was that to construct the road by the Government was a ruinous undertaking, but it would be profitable for a company. * * * (Page 999.) Then it was alleged that the arrangements made with Lord Carnarvon were extravagant. As to some provisions of that arrangement every one knew his opinion; he thought it an imprudently liberal bargain. The hon. member for Cumberland was in favor of the agreement last Session because he thought it wise, and now he opposed it because he thought it foolish. In their Minutes of the 20th December and the 30th March, the Government stated clearly and distinctly what they thought that arrangement to be—that in their view, as negotiators entrusted with executive powers, they were not enabled without the consent of Parliament to alter stipulations, and they conceived that the terms were based upon the resolution that the taxation should not be increased in the prosecution of the work. Had it been otherwise they would have come to Parliament in order to obtain assent. This was the interpretation they gave to the Carnarvon Terms, and upon which they were prepared to act, as clearly stated in the papers, which had not, to his mind, been satisfactorily impugned. The hon. gentleman complained that the Minute of 20th September was withheld until after the general election. The papers brought down stated

the facts on this point, which it was unnecessary to reproduce. It would be unworthy of the Government to answer such a statement as that made by the hon. member. The hon. member, if he held that view, should formulate his charge in a proper way, and not bring it up in debate at 2 o'clock in the morning. If they had been guilty of the alleged offence, let them receive the punishment which, under the circumstances, would be due to them. What was the policy of the Opposition as the hon. gentleman propounded it? First of all to affirm there never was a contract with British Columbia which bound this country to build a mile of railway, unless by a private company on the specified terms of \$30,000,000 and 50,000,000 acres of land. They had made no bid for the support of the British Columbia members. They had been longing to do their duty to the Province and fulfill their pledges. Their view of the resolution was that, although it was not inserted in the contract, it had the same binding force as if it had been inserted. He had always stated that the country was committed to the construction of the road; but the Terms of Union did not imply that they should drag the country into ruin, and the Government would not do that. No power should induce them to bring down any proposition they conceived the country was incapable of bearing. But at the same time they would do what they could.

HON. MR. TUPPER * * * (Page 1000.) He proceeded to condemn the Government for taking the work into their own hands after their accession to power, and stated that he voted for the first reading of the Esquimalt and Nanaimo Railway because he was satisfied the work would be put up to competition; but when they found the Government were going to assume all the power of making the contracts for the construction of the road, they claimed they were entitled to use all their influence in order to defeat the Bill. * * * If the people of British Columbia were ever to have a railway connection with Eastern Canada they must get it by the means provided by the late Administration,

Tupper defend-
ing defeat of
E. & N. Ry.
Bill. See pp
35, 44, 59.

and by the people of this country bringing back into power men who had confidence in securing the success of the great undertaking.

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HOUSE OF COMMONS.

Wednesday, 5th April, 1876.

The Speaker took the Chair at Three o'clock.

PACIFIC RAILWAY.

MR. MASSON (Page 1061) said British Columbia had another reason to distrust the Government owing to the act of the envoy. The hon. member for Yale said they had never dreamed of the Nanaimo and Esquimalt line being part of the Pacific Railway. Any person who read the letter of Mr. Edgar to Mr. Walkem, which expressed the real wishes of the Government, would have no difficulty in coming to the conclusion that it was intended that that line should be a portion of the Pacific.* In that letter the following passage occurred:—

E. & N. section
part of C.P.R.

F. & N. Rail-
way, Edgar's
proposal, page
160. Railway
papers, May
8th, 1874.

"Feeling the impossibility of complying with the time limited for completion, the Government is prepared to make new stipulations and to enter into additional obligations of a definite character, for the benefit of the Province. They propose to commence construction from Esquimalt to Nanaimo immediately, and to push that port on to completion with the utmost vigor and in the shortest practicable time."

What was that a portion of, if not a portion of the Pacific Railway?

HON. MR. MACKENZIE. It means a portion of the Esquimalt and Nanaimo.

MR. MASSON. Oh, then the railway from Nanaimo to Esquimalt is a portion of the railway from Nanaimo to Esquimalt? The people of British Columbia understood this question as he did, but there were other things which confirmed the impression that the Government were not anxious to keep faith with the Province. * * *

★ HON. MR. LANGEVIN (Page 1068) did not think this could be considered a question of sentiment. It had never been so considered by

HON. MR. TUPPER.

* E. & N. Section part of C. P. R. see pages 1, 45,

79-173.

** Present Minister Public Works.

the late Government or Parliament, nor did he think it was so considered by the present Administration or this House. It was regarded by the late Government as a work of necessity.* This Dominion was bound by a solemn treaty with one of the Provinces to build the railway within a certain time. Some had said it could not be done within the specified limits. That might be, but the people of British Columbia would be satisfied with a reasonable effort to do it. The policy of the late Government was to build the road by means of a private company, aided by land grants and a money subsidy. He was still of opinion the lands of the North-West should contribute largely to the building of that railway, and that the country should not be called upon to aid it with a larger sum of money than \$30,000,000. It was a treaty obligation entered into, not for the sake of British Columbia, but for the sake of the Dominion.† It was entered into by the late Government because they knew it was necessary for our national existence. They knew that such a railway would be required to knit together the Provinces of the Dominion, and extend their authority completely over the country from the shores of the Atlantic to the Pacific Ocean; it would also be a connecting link between Europe and Asia. The hon. member spoke of this as sentiment; the hon. gentleman might use that term, but others would term it practical common sense. This line would yet bring—for it must be constructed—through the Dominion the trade of the two continents, Asia and Europe, besides the local traffic of our Provinces. * * * This railway was considered by the previous Government and Parliament as a necessity in view of our position, and as required by treaty obligation.‡ When they gave the contract to Sir Hugh Allan and his twelve associates, they bound themselves to give the company \$50,000,000 and 50,000,000 acres of land to construct a railway from Lake Nipissing to Esquimalt, between which points lay the route of the Pacific Railway. If reference was made to the Act they passed incorporating certain companies during that year, it would be seen that they were intended to build railways

* Treaty.

** Treaty.

† Railway a necessity required by treaty obligations.

‡ Allan bound to construct C. P. R., Esquimalt to Nipissing.

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from Lake Nipissing to the Pacific Ocean, with power of extension to Esquimalt, and of building besides branch lines. The portion of the line from the inner waters of British Columbia to Esquimalt was not considered, and was not treated in these Acts as a branch, but as an extension and a portion of the railway. He would go further—and these were matters of fact and history. When the Government of which he was a member was called upon in this House by the present member for Victoria, to state whether we had determined upon the western terminus of the line, he was instructed by the Cabinet to announce—as he did do openly—that they intended to make Esquimalt the terminus. Moreover, an Order in Council was passed to that effect and in the correspondence laid the other day before the House, it was so stated in a Minute of Council of the present Government. When the question came up under the present Administration, if he was not mistaken, the same course was followed. It was necessary at this stage to refer to a report of a Committee of the Honorable the Privy Council, dated the 20th of September, 1875, wherein it was stated:

"The proposed railway from Esquimalt to Nanaimo does not form a portion of the Canadian Pacific Railway as defined by the Act; it was intended to benefit local interests, and was proposed as compensation for the disappointment experienced by the unavoidable delay in constructing the railway across the continent."

This did not apply to the late Government, because in their time no such disappointment was experienced. They had begun to put the Act into effect, and, therefore, no compensation was required; this only occurred afterwards. Nevertheless, on the 25th of March, 1875, the present Ministry requested the Local Government to grant a belt of land between Esquimalt and Nanaimo for the construction of a railroad, evidently considering that this was a portion of the Pacific Railway. To obtain all the advantages possible from this line, it must not be arrested at the Pacific coast. It was said one of the two lines mentioned by the hon. member for Yale must be selected—either the line to Bute Inlet or the line to Burrard Inlet. The hon. gentleman considered that if the railway ran to Bute Inlet,

the Nanaimo and Esquimalt line must be constructed; but that if it ran to Burrard Inlet no such necessity would exist. He differed with the hon. gentleman regarding this important point, but he would not take this position had he not visited the Province. If the railway ran to Bute Inlet, the line to Esquimalt on the Island must be built, and, if possible, the narrows should also be bridged. If this, however, cost too much, or if it could not be done, a steam ferry, as at New York, must be established. The railway on the Island would be necessary, because if the line was stopped at Bute Inlet, as the terminus, the trade of the east could not be secured. We must compete with the Americans at their own doors; Bute Inlet was too far distant from the point the trade of the Pacific and of the east would reach, as it would pass by the Straits of Fuca; but if the course he urged was not followed, we must be content with the local traffic of our own Provinces. War with the War United States was a contingency which, of course, must be taken into account, and, in this event, the Straits of Fuca and the harbour of Esquimalt would be inaccessible to us, but Barclay Sound being a harbour directly on the Pacific Ocean, could be kept open by the fleets of England, enabling us to defy any attempts the Americans might make against the terminus of our railway there. If this was fixed at Bute Inlet we could not secure the trade of the Pacific Ocean, because it would pass by the American sound, and ships would not go around to Vancouver Island by the Straits of Georgia to Bute Inlet, but to the most direct harbour, which was in the hands of the Americans. (?) Then with regard to the railway coming from Bute Inlet to Burrard Inlet. The latter, as the hon. member for Yale has said, was a magnificent harbour, but there we would have the same difficulties as at Esquimalt, and for this reason: If there was a war with America our vessels could not reach Burrard Inlet without passing under the guns of San Juan Island. We could not escape that position, and we ought to try and avoid having our trade destroyed for a whole year. The true policy was first to place the terminus where we could

Steam ferry.

treaty obligations.
Esquimalt to Nipissing.

* Esquimalt section in Railway Acts considered part of C. P. R. and so treated. Cabinet instructed to say Esquimalt should be terminus.
* Railway Belt E. to N. showed Government considered it part of C. P. R. 1872, 176, Q. C.
† The O. C. 1872, made (under Act 1872) is portion of C. P. R.

easily reach the trade of the east and compete with the Americans, and not be afraid of its interruption in the contingency of a war with the United States. Besides, if we had the terminus at Bute or Burrard Inlet we would increase the insurance and the time required for the trip from the east. He still adhered to the opinion that it was a necessity of our position that the Pacific Railway be built not only to Bute Inlet but on the island to Barclay Sound and Esquimalt. At the latter place we could compete with the Americans in times of peace. If it should be determined that the road must come to Burrard instead of Bute Inlet, we would have to ferry across to Nanaimo, which would occupy one hour and a half.

Terminus
Esquimalt
necessary to
enable Canada
to compete
with the States

Ferry to Nanaimo.

Langevin's
opinion of
Esquimalt
as terminus.

* * * (Page 1072.) The plan he had suggested he considered was the one that was best in the interests of the Dominion. They were bound to build the road to Esquimalt on the west, which was the terminus fixed upon at the time, he would go further and say that they were bound of necessity to build it to that point in order to compete successfully with the American railway for the trade of the east.

HON. MR. CAUCHON* * * (Page 1077.) The argument to-night was that the Government could not do what it was not claimed the late Administration could have done. This was not the time to consider whether we had gained by the Union

with British Columbia; it was our duty now to stand faithfully up to the engagement we made. * * *

Friday, 7th April, 1876.

PACIFIC RAILWAY.

HON. MR. POPE (Page 1136) was understood to say he would not vote for a resolution which would place the Government in such a position that they could say to Lord Carnarvon, after failing to build the road: "We were anxious to comply with our agreement, but we have had this resolution of Parliament staring us in the face." The Ministry had put forward one of their own followers to shelter them from the consequences of their own agreement with British Columbia and the Imperial Government.

Monday, 10th April, 1876.

RAILWAY LANDS IN VANCOUVER ISLAND.

MR. DE COSMOS (Page 1161) asked: Do the Government intend to surrender to British Columbia the belt of land reserved for railway purposes on Vancouver Island, or do they intend to perfect their title and offer the same for sale in conformity with the Dominion Lands Act?

HON. MR. MACKENZIE. We do not pretend to have any claim to the land. * *

EXTRACT from the *Toronto "Mail's" Report of Parliamentary Proceedings of April 1st, 1876, and which appeared on Monday, April 3rd, 1876.*

DOMINION RAILWAY LANDS.

MR. BUNSTER asked if this Bill was to apply to British Columbia. Large quantities of valuable land had been locked up on Vancouver Island from Esquimalt to Seymour Narrows?

MR. LAIRD said the Government had no land in Vancouver Island for railway purposes.

MR. MACKENZIE said that the land which was locked up there had been released by the lapsing of the arrangement with regard to the construction of the Nanaimo and Esquimalt Railway.

* Did not lapse

EXTRACT from the *Toronto "Globe's" Report of Parliamentary Proceedings of April 1st, 1876, and which appeared on Monday, April 3rd, 1876.*

In reply to Mr. Bunster,

MR. LAIRD said he did not understand that the Government held any railway lands in Vancouver Island, the

HON. MR. LANGEVIN.

arrangement by which Government were to acquire lands on the Island having fallen through with the abandonment of the Esquimalt Railway.

* President of Privy Council then.

† Bound to build Railway to Esquimalt.

** Repudiates ownership in face of O. C. of March 1875, page 174, and Act of B. C., April, 1875.

* See page 120 for Ross resolution.

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EXTRACTS from the "Debates of the Senate of the Dominion of Canada,
3rd Session, 3rd Parliament, 1876," on the Pacific Railway.

SENATE.

Thursday, 17th February, 1876.

THE STEEL RAILS PURCHASE.

HON. MR. SCOTT. * * * (Page 28.)
It was supposed at that time that the
Esquimalt and Nanaimo Railway
would be constructed, and part of the
rails were sent there. * * *

SENATE.

Monday, 20th March, 1876.

THE CANADIAN PACIFIC RAIL-
WAY.

HON. MR. CARRALL (page 152)
moved:

That the construction of the Pacific Railway
having formed the principal condition upon
which British Columbia entered the Canadian
Confederation, every reasonable effort should
have been made by the Government of the
Dominion to satisfy the people of that Province
that faith would be kept with them; but this
House regrets to find that whilst incurring, or
ready to incur, immediate expenditures of several
millions of dollars not needed, or of doubtful
utility, the Government has failed to proceed
vigorously with the construction of our great
national inter-oceanic railway, which is so
essential to the material advancement of all the
Provinces of the Dominion, as well as to the
early consolidation of political and social union
among the whole people.

He said * * * A delegation
came to Ottawa, and the conditions
upon which that Province would be-
come a part of the Dominion were laid
before the Government. These con-
ditions were then submitted to a Com-
mittee of the Privy Council, consisting
of Sir George Cartier, Sir Francis
Hincks and Hon. Mr. Tilley, on the
part of the Canadian Government, and
the three delegates—the present Gov-
ernor of British Columbia, Dr.
Helmcken, and himself (Mr. Carrall).
* * *

HON. MR. CORNWALL. * * *
(Page 161.) And while I am on
this subject, I wish to refer to
some remarks on this matter which
fell from the hon. the Secretary
of State a few days since in this

House, when a discussion was going
on about the steel rails. The hon.
gentleman explained that the Esqui-
malt and Nanaimo Railway was
brought down last year by the Govern-
ment to enable them to carry out
certain arrangements into which they
had entered with the Government of
British Columbia, under the auspices
of, and through the intervention of
Lord Carnarvon; and the hon. gentle-
man proceeded to express his surprise
that under these circumstances the
Senate should have thought it right to
defeat the passage of the Bill. So far,
hon. gentlemen, I agree with the hon.
the Secretary of State, and I may be
surprised at the Senate thought fit to adopt the
course they did; but I will go further
and express my most unqualified sur-
prise that any member of the Govern-
ment should rise in his place and
assert that the Government did all in
their power to secure the passage of
that Bill. Why, hon. gentlemen, what
were the facts of the case; were they
not patent to all? The hon. member
himself introduced the Bill in a very
short, and I will add, a very lam-
speech, and having done so, the un-
fortunate Bill was left to take care of
itself, to live or die on its own merits;
while no member of the Government
or any supporter of the Government
had another word to say in its favor!
And what did we see, hon. gentlemen,
when the vote was taken upon the
Bill? Why, we saw two prominent
supporters of the Government, hon.
gentlemen who are unswerving and
unwavering supporters of the Govern-
ment on all occasions—hon. members
who never before or after, either during
this or the past Session of Parliament,
have voted in an adverse way on any
Bill or motion in which the Govern-
ment expressed an interest, we saw
those two hon. members rise in their
places and vote against the Bill! Now,
hon. gentlemen, how can we reconcile
that fact with the idea that the Gov-
ernment did what they could in favor
of the Bill? If the Government had
held out its little finger in support of

Surprised at
Senate.

Did Govern-
ment do all
it could?—No

Government
1875 shirked
its duty on
E. & N. Rail-
way Bill.

Penny and
McMasters.

* Public money was diverted to canal.

Why was E.
& N. Bill not
introduced
in 1876?

Minute of
Council,
Sept., 1875,
offering
\$750,000.

See page 131
for *Globe's*
statement.

the Bill, if they had merely whispered to them the necessity there was of supporting the Bill, can we for a moment suppose that it would have met with the fate which it did? And again, if the Government were earnest in their wish to pass that Bill through Parliament, why was it so readily dropped after its being defeated in this House by so narrow a majority? Why should not the Government have brought it up this year, and come forward and said: "This Bill must pass; it is to enable us to carry out a certain engagement into which we have entered, and we bring it before you again, and you shall pass it, or if you will not we fall with it." I do not say that that is a likely course to be adopted by the Government of the day, but I say that such is the course which they should have pursued had they wished to persuade us of their integrity and good faith. Then, again, to proceed a little further, what shall we say of a Government which could give to the light such a document as that precious Minute of Council of September 20th, 1875? I can only describe that document as one more worthy of emanation from the office of some low attorney than from the office of the grave Council of State, for it was a document so purposely obscure and untranslatable, and so capable of different constructions being put upon it, that even one of the principal supporters of the Government among the press of the country, the great *Globe* newspaper of Toronto, gave it one explanation one morning, and the next was obliged to eat its own words, and say that it meant exactly the opposite! Then, to come nearer the present time, let me mention the very last Minute of Council which has seen the light, that of the 13th of this month. I do not know whether all hon. members have seen that Minute, or whether, at all events, they have read it with attention, but I can only characterize it as a document remarkable for the wordy special pleading contained in it, not the grave, conciliatory and kindly Minute which one would expect to find addressed by the supreme power of the State to one of its component parts, to a Province under its own care, but rather the work of a

HON. MR. CORNWALL.

lawyer trying to make the most of a bad case, of an advocate fighting a matter to the bitter end with his opponent, and this document at its end, throwing to the winds all argument and all obligations, says in effect: "All that remains for the Dominion to do is to carry out the Terms of Union with British Columbia in the way that will best suit her, and at the time that will best suit her." That, hon. gentlemen, is the last straw in the weight which will break the camel's back. Such expressions must raise the ire of British Columbians from one end of the Province to the other, and may lead to consequences which are difficult to foresee, and which no one would regret more than myself. I now wish to say a few words in behalf of British Columbia. I think every one must see that British Columbia has been badly treated. I know that she thinks so herself; but what has annoyed her more than anything else is that Canada and her rulers, during the past three years, have been unremittingly engaged in the occupation of throwing difficulties and delays in the way of carrying out the Terms of Union.† Whenever and by whomsoever the matter is discussed, it has always been with the view of finding reasons why the work should not go on. Always, instead of avowing an intention of doing the best under the circumstances, the Canadian Government, press and people, with but few exceptions, have been searching for reasons how not to do that to which they are solemnly bound; and it is that, and that alone which has exasperated the people of the Western Province. If Canada had always shown the inclination to do the best she could, to go heart and soul into the work before her, and to persevere to the end, there would never have been any discontent on the part of British Columbia; but, on the contrary, she would have been ready to meet the Dominion half way, and resign for the present her own good for the general advantage of the country. Is it a wonder, hon. gentlemen, that, under such circumstances as I have described, British Columbia should feel sore and disgusted? Is it a wonder that those feelings should find expression, and that there are even not a few who dare

* Canada proposes to do as she pleases;—ignore terms of Union and Carraigan Terms.
† Government always obstructive.

the most of a bad fighting a matter with his opponent, its end, throwing ment and all obli- "All that to in- to do is to of Union with the way that will the time that will hon. gentlemen, the weight which back. Such ex- the ire of British end of the Pro- and may lead to are difficult to no one would re- self. I now wish behalf of British very one must see has been badly at she thinks so as annoyed her se is that Canada the past three sittingly engaged throwing difficul- way of carrying tion.† Whenever to matter is dis- been with the s why the work ways, instead of of doing the best os, the Canadian d people, with ve been search- pt to do that to ply bound; and o which has ex- of the Western d always shown e best she could, to the work be- ore to the end, e been any dis- British Colum- ary, she would t the Dominion for the present genoral advan- is it a wonder, under such cir- scribed, British sore and dis- der that those xpression, and a few who dare

whisper the word "secession." But, I for one, never think that the matter will come to such a pass as that last word suggests. I believe that ere long Canada will awake to the exigency of the moment; that the people will rise in their strength, and at no distant time, will, with one supreme effort, throw from them the incubus which now weighs down and oppresses them in the shape of the present Ministry, and that they will then take the matter into their hands, and see that the Terms of Union with British Columbia are carried out. Can one fail to think but that every Canadian is proud of the grand country which he calls his own, of a country stretching from the Atlantic on one side to the Pacific on the other, across the wide expanse of this magnificent continent? And can one believe any Canadian so mean and contemptible as not to strain every endeavor to preserve the inviolability of that fair domain, and of the inheritance which he hopes to bequeath to his children. * * *

Wednesday, 22nd March, 1876.

HON. MR. MACPHERSON. * * * (Page 178.) It was not very long since the hon. gentleman* was not a very hard and fast supporter of the Government. They all remembered when the Esquimalt and Nanaimo Railway Bill came up last Session, it was due to the loss of his vote in support of that measure that the Bill to which they were specially committed, not only here but in England, was lost. It was quite true that the hon. gentleman's name did not appear in the division list as published, and he did not know how that occurred; it was one of those things that ought not to be, and it ought to be enquired into. They all knew that the hon. gentleman voted against the Bill, and his name should have appeared in the division list.† * * *

Thursday, 30th March, 1876.

HON. MR. CARRALL. (Page 233.) Will the hon. Secretary of State undertake to say what the exact mean-

* Mr. Macmaster.

ing of the Minute in Council was when they made that offer of \$750,000; was it for the relinquishment of the railway?

HON. MR. SCOTT. I will tell my hon. friend it was honestly intended as compensation for the defeat of the Esquimalt and Nanaimo Bill in this House.

HON. MR. CARRALL. And not for delays which might occur.

HON. MR. SCOTT said it was not. The Government would build the road just so soon as the circumstances of the country would warrant it. The hon. gentleman had only to look at the correspondence, and he would see that no other possible conclusion could be arrived at. In the first place this Esquimalt and Nanaimo Railway was offered as compensation for the delays in the construction of the Pacific Railway; that being taken away, and the Government feeling that they were in duty bound to make some compensation, then suggested this \$750,000.

HON. MR. CARRALL. We could not find it out at the time.

HON. MR. SCOTT. Our friends in British Columbia have always been so unfortunate as to draw the most unjust conclusions.

HON. MR. CARRALL. Unfortunately, the organ of the Government, the Toronto Globe, came to the same conclusion.

HON. MR. SCOTT said the Toronto Globe did not speak the sentiments of the Government, and the Government did not consult it in passing their Orders in Council. The despatch to Lord Carnarvon, of the 17th September, 1874, says:

"It is proper to notice *seriatim*, the several grounds of complaint as stated in the despatch: "1st. That nothing is being done by the Dominion Government towards commencing and pushing on a railway from Esquimalt to Nanaimo."

The Dominion has no engagement to build such a railway, and therefore, there can be no just complaint that it is not commenced. The construction of such a railway was offered only as compensation for delay in fulfilling the engagement to build a railway to the "Pacific seaboard." He thought the

* No! In 1874 declared a part of C. P. R. Edgar also 1874.

Globe, too.

See O. C., 1873, p. 173.

Land reserved and that was engagement

from?

* Cause of loss of E. and N. Bill.

† Why did it not afterwards put in. See note page 36.

‡ What are Carnarvon terms if not engagement?

** "From" and not "to" see terms of Union 1871.

hon. gentlemen would be prepared to say there was no uncertain meaning in that; that it was all in harmony with the speeches and policy of the Government. If they wanted further proof of that it would be found that in the Bill of last year, and in that there was no reference to its being part of the Pacific Railway. But the hon. gentleman who sat at the Council Board in the late Government (Mr. Atkins) who gave his sanction to the location of the western terminus at Esquimalt, was the same gentleman who proposed to give the six months' hoist to this Bill last year, on the ground that it was simply a local road. On that occasion he had said:

"By the provisions of the present Bill, not only was the Canadian Pacific to be built, but in order to allay the discontent in British Columbia, in consequence of the Government not completing the bargain with it, they now proposed to build sixty miles of railway on that island, for themselves, forming no part of the Pacific Railway. He, for one, would not object to the Bill, but it was not so understood."

And the hon. gentleman who put this motion on the paper (Mr. Carrall) also spoke of it as a local work, and the hon. gentleman who spoke first this afternoon used very much the same terms. Under those circumstances he did not see how this Government were justified in putting this heavy expense on the Dominion for what his hon. friend (Mr. Carrall) had called "a local work." He thought it was perfectly clear and consistent from the beginning, and that this House and this country knew precisely what the policy of the Government was with respect to the Esquimalt Railway. Not a word or line was ever written by this Government that would justify the conclusion that it was to form part of the Pacific Railway. A point was attempted to be made out of the fact that this Government had gone on and anticipated, so to speak, the construction of this work. When they found that their predecessors in office had committed themselves to the construction of this road on the Island, and carry it as far as Esquimalt; when they found that British Columbia was anxious for it, and that Lord Carnarvon had made it part of the terms, the Ministry were justified in coming to the conclusion that Parliament would ratify the

Hon. Mr. Scott.

solemn treaty entered into with British Columbia on the arbitration of the leading Minister of the Imperial Government. They thought, therefore, they were quite safe in making arrangements for the construction of the road, as no one would have believed it possible that those gentlemen who had formerly put their record on paper that this road was to be part of the Pacific Railway, and Esquimalt was to be the terminus, would have been first and foremost in voting down this Bill.

Hon. Mr. Macpherson. The Government sent the rails to British Columbia after the Bill was lost.

Hon. Mr. Scott said they were ordered before the Bill was lost, and it was the action of the House that prevented their being used.

Hon. Mr. Campbell. It was your own supporters that threw out the Bill.

Hon. Mr. Scott said the hon. gentleman (Mr. Campbell) led him to the conclusion that his policy was "party first and British Columbia afterwards." When the proposition was read first on the floor of this House that \$750,000 should be given to British Columbia, that gentleman announced at the outset that he proposed to vote it down, but still the hon. gentleman from British Columbia would cling to the Opposition from whom they never received one single assurance beyond the mere empty speeches that were made that this line would be carried out. He had pretty clearly established that the course of the Government with reference to the Esquimalt and Nanaimo Railway was tolerably consistent throughout. * * *

Friday, 31st March, 1876.

Hon. Mr. Scott (Page 236) then rose to resume his speech of the previous evening. After stating his position at the adjournment of the House, he said his hon. friend opposite seemed to think that the \$750,000 offered to British Columbia was compensation for future delays. He did not think the spirit of the correspondence warranted any

See pages 53 and 50.

See Edgar's proposal.

into with British arbitration of the Imperial Government, therefore, safe in making the construction of the road could have believed the gentlemen who in record on paper to be part of the Esquimalt was to have been first laying down this Bill. The Government to British Bill was lost.

said they were Bill was lost, and in House that preceded.

It was your threw out the Bill.

id the hon. gentleman led him to the policy was "party Umbria afterwards." n was read first on House that \$750,000 British Columbia, pounced at the out- to vote it down, gentleman from ould cling to the om they never re- nance beyond the s that were made e carried out. He established that the ment with refer- alt and Nanaimo rably consistent

arch, 1876.

(Page 236) then speech of the After stating his ument of the is hon. friend think that the British Colum- tion for future hink the spirit of warranted any

ach conclusion. The spirit of the order in Council was perfectly clear ant the object of the Government was to compensate the Province for delays incidental to the construction of the road.

HON. MR. CARRALL. Was the money offered for the relinquishment of the Island Railway, or for delays which had might occur in the construction of the transcontinental road?

HON. MR. SCOTT said, in the first place, the offer to build the Island road was in consideration of the delays in the construction of the main line. That offer was made over and above that the Government seemed bound to do. The \$750,000 was offered in lieu of the Island Railway.

HON. MR. MILLER said he had understood the Order in Council differently until the hon. Secretary of State had given this explanation. But if the Esquimalt and Nanaimo Railway were offered for delays on the mainland, and the \$750,000 were offered for the delays on the Island Railway, it must be compensation for past and future delays.

HON. MR. SCOTT. Certainly.

HON. MR. MILLER asked what difference it made to have the word "future" in the despatch.

HON. MR. SCOTT said the objection was, that it conveyed an entirely false impression that the construction of the road was to be postponed until an indefinite period. Here were the words of the Minute of the 20th September, 1875:

"The Bill which the Government introduced to the House of Commons to provide for building the Railway evoked a considerable degree of opposition in that House and in the country, and although passed by the House of Commons, it was afterwards rejected by the Senate, and thus there is imposed upon the Government the duty of considering some other method of meeting all just expectations of the people of British Columbia whose Government has not suggested any solution of the difficulty.

It would seem reasonable that the people of British Columbia should construct this work themselves, or (if they think other local public works more advantageous) should, in lieu of themselves undertake such other local public works, and that the compensation to be given them by Canada for any delays which may take place in the construction of the Pacific Railway, should be in the form of a cash bonus to be applied towards the local railway, or

such other local works as the Legislature of British Columbia may undertake, Canada also surrendering any claim to lands which may have been reserved in Vancouver Island for railway purposes. ^{if no claim, how surrender it?}

"The sum of \$750,000 would appear to the Committee to be a liberal compensation, and the Committee advise that the Government of British Columbia be informed that this Government is prepared to propose to Parliament at its next Session, the legislation necessary to carry out the views contained in this Minute as to the construction of the Pacific Railway, and the compensation to be given to British Columbia for delays in such construction."

HON. MR. CAMPBELL. The words "for any delays which may take place in the construction of the Pacific Railway" mean the future.

HON. MR. VIDAL. And yet the hon. Secretary of State said a few minutes ago that the \$750,000 was not for delays in the construction of the main line.

HON. MR. SCOTT said it might suit hon. gentlemen to draw different conclusions from the Order in Council than the common acceptance of the English language would warrant, and if they did, he could not help it; but he thought it was scarcely fair to put any such construction on it as the language did not bear. The proof that such was not the construction intended by the Government was the fact that they were then actually increasing the expense of and forcing on the surveys, expending more money than at any time since the inception of the scheme. The survey of the Intercolonial Railway, which was only one-sixth the length of the Pacific Railway, with large cities at either end and through a settled district easy of access, occupied five years—three years by Major Robinson and two years by Mr. Sandford Fleming. When it took such a length of time to survey the Intercolonial hon. gentlemen could draw their own deductions as to the length of time it would take to locate the Pacific Railway, which from Lake Nipissing to the other side of the Rocky Mountains had scarcely one hundred inhabitants along the line. There was no possible parallel in the length of time that it would take to locate it as compared with the Intercolonial.

HON. MR. HOWLAND. At the time the \$750,000 was offered to British



Columbia was there not a promise with it to construct the road in fourteen years?

Substitute for award.

HON. MR. SCOTT said the Government accepted the award of Lord Carnarvon, but this was no reference to Lord Carnarvon's award, but simply a substitution for it. It was not necessary to renew an offer that was then in existence; they (the Government) simply accepted it.

HON. MR. DICKEY called attention again to the paragraph in the Minute in Council above referred to, "for any delays which may take place," etc., and asked if that did not mean delays in the future?

HON. MR. SCOTT again denied such was the policy of the Government. He thought hon. gentlemen ought not to be so captious and sceptical; the language was there, and he was sorry it did not suit his hon. friend to draw proper deductions from it. It was another illustration of the truth of the old saying: "Convince a man against his will, and he's of the same opinion still."

Surveyors on V. I. line, afterwards abandoned.

HON. MR. CORNWALL asked the hon. the Secretary of State to explain the fact that, when the Minute in Council was published, and after the Government had abandoned the construction of the Esquimalt and Nanaimo Railway, during that time and subsequently they had surveyors at work on the line.

No; Mackenzie still going to build it.

HON. MR. SCOTT said the hon. gentleman was aware that the Hon. Mr. Mackenzie went over to England early in the year, and in the winter when it was supposed that this road was to be built surveyors were sent across the continent to locate the line. When the Bill was thrown out it was not thought advisable to stop the survey, as the work would be valuable if the people thought of building the railway themselves. Would not his hon. friend have been the first to condemn the Government and say it was adding insult to injury after sending out surveyors to locate the line, if they had been stopped by a telegram from Ottawa. Hon. gentlemen were disposed to find fault no matter what action the Government would take. If they had declined to expend the

HON. MR. HOWLAN.

money they would meet with opposition, and if they expended it they met with opposition. He would explain some of the difficulties the Government had to contend against in the surveys in British Columbia. He believed the distance of the three routes that had been surveyed from Edmonton to the coast averaged somewhere in the neighborhood of 800 miles. The computed distance by Yellow Head Pass and Fort George to Bute Inlet was 800 miles, but the route further north would shorten that distance. In the first thirty miles from the Pacific coast the rise was 3,000 feet. That was where the difficulty came in, as any hon. gentleman experienced in railway matters would easily understand.

HON. MR. CORNWALL asked why the Government did not adopt the route that was easy from the Rocky Mountains to Victoria.

HON. MR. SCOTT said no doubt if the hon. gentleman had been appointed Chief Engineer it would have been a great service to the Government, but unfortunately for the country, no doubt, these services had not been offered. However, they had obtained what was considered the best engineering talent in the country, a gentleman who had the respect and confidence of all parties, and they believed that gentleman was quite competent to be entrusted with this great work. The money which had been expended was under his directions, and he thought it was judiciously laid out. From the returns from that gentleman's office he found that the expenditures year by year on the east side of the Rocky Mountains were as follows, in round numbers:—

To the 30th June, 1872.....	\$194,000
" " " 1873	345,000
" " " 1874.....	199,000
" " " 1875	290,000

And for the half year ended 31st Dec., 1875, \$246,000, nearly double what had been expended in any previous six months. The amounts expended on the west side of the Rocky Mountains during the same periods were, in

1872.....	\$295,000
1873.....	215,000
1874.....	111,000
1875.....	183,000

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.....\$293,000
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And to the 31st December of 1875,
\$204,000. He thought this entirely
ore out the statement he had made a
few minutes ago, that during the time
these negotiations were going on with
British Columbia the Government were
ushing on the surveys more vigor-
ously than ever. The total amount
expended in surveys was \$2,286,987.

HON. MR. SCOTT * * * *
Page 239.) said he regretted he
ould not give the hon. gentlemen the
information, as the line was not yet
ettled upon beyond Yellow Head Pass,
ut there were eight different survey-
ing parties in that country, with an
verage strength of from thirty to
orty men, engaged in exploring for a
ine. The expense of the work already
one throughout, down to December
1st, 1875, was as follows:—

Surveys	\$2,287,207 00
Construction	360,000 00
Telegraph Account	170,000 00
	\$2,817,207 00

o this amount add the amount for
eel rails, \$2,000,000 more, which
ould make a total of \$4,817,207.

HON. MR. MILLER asked how the
on. gentleman included the two
illions for rails.

HON. MR. SCOTT said because they
ere purchased for the Pacific Rail-
ay, and part for the Intercolonial.

HON. MR. CAMPBELL said * * * *
Page 241.) He sympathised very
uch with his friends from British
olumbia. They had been left in a
ate of uncertainty and perplexity,
ad were at a loss to know what to
elieve in regard to the work. The
structions given to Mr. Edgar were
a character to alarm the people of
e Province. These instructions were
e first step taken by the present
overnment in doing anything in the
acific Railway matter, and they
omed to be framed with a view to
imidating the people of British
olumbia, and to treat them as persons
wing a sinister design on the public
rse. The following extract showed
pirit of Mr. Edgar's instructions:—

You will remember that the Dominion is
nd to reach the seaboard of the Pacific only,
Victoria or Esquimalt, and you will convey

an intimation to them that any further extension
beyond the waters of Bute Inlet, or whatever
other portion of the sea-waters may be reached,
may depend entirely on the spirit shown by
themselves in assenting to a reasonable exten-
sion of time, or a modification of the terms
originally agreed to.

“You will take special care not to admit in
any way that we are bound to build the railway
to Esquimalt, or to any other place on the
Island, and while you do not at all threaten
not to build there, to let them understand that
this is wholly and purely a concession, and that
its construction must be contingent on a rea-
sonable course being pursued regarding the
other parts of the scheme.”

This was the language of intimidation.
What right had the Government, if, as
they said before this paper was written,
they repudiated all liability or agree-
ment made by Parliament to construct
the railway on the Island of Vancouver,
to say: “If you behave yourselves
we will build your Island Railway?”
Either that road was a part of the
Pacific Railway, or it was not. The
Government had taken the ground
that it was not, and from their stand-
point they had no right to hold out
this promise to the people; they had
no right whatever to instruct Mr. Edgar
to make such an offer. Nor, on the
other hand, had they the right to
threaten that in the contingency of
their dissenting from the terms to be
proposed by Mr. Edgar the road on
the Island should not be built. When
the negotiations commenced in that
spirit was it to be wondered at that
the people of the Province became
doubtful of the intentions of the Gov-
ernment? They ought to have been
met frankly and reasonably, and every
assurance given them that faith would
be kept with the Province. If a course
of honest fairness had been pursued he
ventured to say they would have
yielded to the interests of the country
at large, and we would have not ex-
perienced the present trouble. But all
through these negotiations there was
an evident attempt to drive them into
undefined new terms. The several
Minutes of Council seemed to have been
framed in the same spirit as Mr. Edgar's
instructions, as would be seen from the
following passage:—

“The Committee must further observe that
the tenor of the representations now under
consideration would seem to indicate that the
object of the Legislature of British Columbia is
less to secure the completion of the work as a

Is still.

Insult to
Canada.

national undertaking in such a way and on such terms as may best conduce to the welfare of the whole community, than to enforce the immediate and continued expenditure within their own Province, at whatever cost to Canada, of many millions of money, for which they cannot pretend to have given an equivalent.

It was a most unwise policy to taunt the people of a small Province in this manner; to accuse them in a State paper of entertaining a sinister desire, not for the construction of the road as a great national work in which all the Dominion was interested in, but to secure at any hazard to the country the expenditure of a large amount of money among themselves. He was persuaded that this was doing a great injustice to our fellow subjects in British Columbia, and certainly nothing could be further from the spirit which ought to characterize a State paper than to put forward such an accusation against a whole Province as had been done by the Government in this Minute of Council. It was perfectly clear that British Columbia had just right to complain of the course pursued towards them in the instructions sent over, the Minutes of Council, and the language used by the Government irrespective of the question of the construction of the road altogether. Whether sufficient or insufficient progress had been made in the construction of the road, they had a great right to come to this House and complain of the treatment they had received, of the language that had been used towards them, and the motives attributed to them. * * *

B. C. right
to complain.

HON. MR. SKELD. * * * *
(Page 251.) No doubt British Columbia did right in refusing the \$750,000 that was offered to them in compensation. If he had lived there he would have done the same thing, much as he would like to assist the Government in what he believed to be right. Hon. gentlemen upon the other side of the House had seldom or never been known to vote against the Government except upon that particular occasion, and, indeed, he had very grave doubts about the sincerity of the members of the Ministry themselves, in that respect. He was informed there were valuable coal mines on Vancouver Island, and if Victoria was to be the great coal depot of the Pacific coast, nothing was more wanted than the railway.

HON. MR. CAMPBELL.

He had himself always voted consistently upon this question, but he repeated his belief that the Government had taken some of their supporters to a quiet place and given them a hint to vote the Esquimalt and Nanaimo Branch down. * * *

HON. MR. PENNY. * * * *
(Page 252.) However, this might be the Columbian Government appeared to have been dissatisfied with the very reasonable proposition made to them by the Dominion Government, through Mr. Edgar. They rushed to Downing street, and the Home authorities made a certain arrangement, which in reality was a new start. This House, in its wisdom, when that arrangement was submitted to them, threw it out, and he took his own share of the responsibility of this action. There were some hon. gentlemen in the House, however, whose conduct on that occasion he conceived to be scarcely consistent with their past record, but no doubt it was perfectly consistent with their consciences. These gentlemen had declared, through an Order in Council of the Government of which they were members, that the road from Nanaimo to Esquimalt should be part of the main line, yet when a proposition was laid before this House to construct that road, they voted against it. An hon. gentleman had spoken in a somewhat mysterious manner about the probability of Government influence being used with their supporters to vote down the proposition. So far as he was concerned, if any influence was used or endeavoured to be used upon him upon that occasion, it was in order to induce him to vote in the very opposite way in which he did. A gentleman who professed to be, and he believed was, acting in behalf of the Government, urged him to vote for the Bill. He was opposed to it, as were several other gentlemen, and although the pressure to which he had referred was brought to bear—and finally had the effect of making some of the hon. gentlemen vote with the Government—it had no effect upon him. He had exercised, independently, his discretion to serve the country without respect to party. He would be candid enough to say that the action

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Moreover, this might be
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easion upon which he saw certain
on. gentlemen from British Columbia
anding up and voting against the
orgian Bay Branch. When he saw
om join upon that occasion with a
ertain party, it occurred that they
d got their idols, and it would be
etter to leave them alone. It had
en contended by some hon. gentle-
on that the Government should have
introduced this Bill. He was
ot such a stickler for the rights
d privileges of the Senate as some
on. gentlemen were, but to take the
urse which had been suggested he
uld scarcely conceive to be respectful
this House. It would simply be an at-
tempt to force the House to retract the
to it had given last year. Suppose
e Bill had been reintroduced, he
ould not have voted for it any more
an he did last year, and gentlemen
the other side would also be un-
willing to do it. He admitted that
ritish Columbia being a small Pro-
vince was entitled to every consid-
eration from hon. gentlemen representing
e larger Provinces, but he was also
and to say that British Columbia was
resented in both Houses of Parlia-
ment very greatly out of proportion to
population. It seemed to him, in
consequence, that the representatives
that Province should exercise some
little modesty when they deemed it
necessary to bring matters up for the
consideration of Parliament. With
respect to the correspondence between
the authorities of the Dominion and
ritish Columbia, he might say that he
as not generally disposed to be hyper-
critical about the language used on the
other side, but he could not help
marking that the latter displayed a
wonderful want of resources. It was
very an easy thing, if they considered
Edgar had not the proper cre-
entials, to have communicated with
Tawa and ascertained the facts. He
ought say the same with regard to the
order in Council which had been the
cause of so much agitation and was so
thoroughly misrepresented in British
Columbia. The interpretation there
upon it had never been contemplat-
ed by his hon. friends on the Treasury

benches, but the British Columbia
members never took the trouble to ask
what it really was. He believed that
the Bill last year was thrown out upon
a party vote, and his belief was that
his hon. friends from British Columbia
were very anxious that their *confreres*
from Ontario should have all the credit
of pursuing a policy antagonistic to
that Bill, while through the aid of the
Ministerial party they should have the
advantage of the railway. He had
come to the conclusion that if he could
help it this should not be the case. The
hon. gentleman concluded by stating
that a great many engineering faults
had been attributed to the Government,
but his own impression was that every
Administration was bound to take the
advice of their chief engineer upon
matters of this kind.

HON. MR. MACPHERSON said he would
not have addressed the House again
but for an allusion which had been
made to a remark of his by the hon.
the Secretary of State, that had a Bill
come before this House asking \$750,-
000 as a sop to British Columbia, he
would have voted against it just as he
had voted against the Esquimalt and
Nanaimo Railway, and for the same
reasons. He would, indeed, vote
against anything he believed was in-
tended to postpone the construction of
our great inter-oceanic railway, which
he had no hesitation in saying, both
those propositions had for their object.
Now, the arrangement proposed to
British Columbia, as set forth in the
Order in Council, clearly showed that
the offer was meant to be a compen-
sation for the postponement to an in-
definite period of the construction of
the main line of the Pacific Railway
and he defied any one who would read
the papers to prove the contrary. With
respect to the arrangement proposed
by Lord Carnarvon, he held that the
Colonial Secretary made a proposition
which, with his means of information,
he was justified in thinking would be
acceptable to the people and Parlia-
ment of this country. It was merely
so much nonsense to speak of Downing
street dictation in this relation, as an
hon. gentleman had done, or to say
that the amended terms were made by
the Home authorities. No such thing.

Postponement
indefinitely
of C. P. R.

The terms were proposed by the Government of Canada to British Columbia, through Mr. Edgar, and the Colonial Secretary, surely, was justified in believing that no Cabinet would make a suggestion on the subject which they did not know to be acceptable to the people of Canada and their representatives. But this Government had no reason to suppose that Parliament would consent to the postponement of the Pacific Railway; there was no such desire or intention prevailing in the country, and under the circumstances they did what was quite unjustifiable when they led the Home authorities to believe that any arrangement which would have that effect would be assented to here. It was futile for hon. gentlemen on the Treasury benches to shield themselves behind the excuse that this arrangement emanated from Downing street, and had, therefore, to be assented to. As he had already said, Downing street simply aided the Canadian Government in accomplishing an arrangement which the latter had represented would be acceptable to the people of Canada. The vote of the Senate last Session rejecting the Esquimalt and Nanaimo Railway Bill was a just and patriotic vote, and had the approval of the country, for the all-powerful reason that the people would not consent to postponing indefinitely the construction of the Pacific Railway. If the Government had frankly informed Parliament that they had been engaged earnestly in surveying the country, that notwithstanding so much money had been spent for that purpose yet no satisfactory route had been found; he would have been ready to say that they did what was quite right. He was prepared to support them in making a thorough survey of the country before the work was proceeded with; but such was not the explanation they submitted. They came down last year with a scheme for the construction of a railway from Esquimalt to Nanaimo, which was neither more nor less than a consideration offered to British Columbia for the abandonment of the main Pacific Railway; and this year, with the same end in view, they made offer to the authorities of that Province of a grant of \$750,000. If, instead of having been

HON. MR. MACPHERSON.

promptly and emphatically refused by British Columbia, as that offer was, it had been submitted to the consideration of this House, he had not the slightest doubt it also would be thrown out. He (Mr. Macpherson) was influenced in the course he was pursuing by no party considerations in the sense in which partizanship was generally understood. He denied that such existed to any extent in this House. There were no great political issues before the country just now. The question which really concerned the country was one of administration, the capacity or incapacity of the present Government to administer the public affairs of Canada. Upon that subject he had a very decided opinion, for he thought it had been amply demonstrated by their negotiations with British Columbia, and their disturbing but weak administration generally; that they were not the men to lead this country to the development of her great resources which we had the right to look forward to in the near future. They had been spending large sums of money uselessly, not only in this country but also in Europe; these latter were nominally to promote emigration, while their whole policy had the effect of discouraging it. There was no room to doubt that this continual wrangling and disputation with British Columbia had had the very worst effect upon the tide of immigration, tending as it did to create distrust and weaken confidence in the good faith of the country. These things were well known on the other side of the Atlantic, and very widely discussed.

HON. MR. LETELLIER DE ST JUST.
By the emigrants?

HON. MR. MACPHERSON said: Yes; by the emigrants who were not so ignorant as the hon. gentleman seemed to think. He thought this sneer came with bad grace from the Minister of Agriculture, the Head of the Immigration department. These people believed that Canada, or at least the Government of Canada for the time being, had abandoned the Pacific Railway, and thus made impossible the large demand for the labour of emigrants which would otherwise have

existed. He was convinced this was the chief reason why immigration had fallen off so much. The House, he remarked, had been trying to get information from the Ministry all this Session upon the subject of the Canadian Pacific Railway, and they had failed to get it. The returns which ought to have been brought down early in the Session had not yet made their appearance, and the facts which ought to have been communicated to the House at the earliest possible opportunity had not yet been communicated. If the explanations of hon. gentlemen on the Treasury benches had only been taken down *verbatim*, and so read now to the House, it would be impossible to conceive of a jumble more inconsistent and contradictory than they would present. He differed with the Government entirely upon this railway question. It was not a British Columbian question, either solely or chiefly, but a Dominion question. The Secretary of State got up in his place, and informed the House of how liberally the Government had treated British Columbia, and of how anxious they were that the people of that Province should be satisfied and content. It was not for the sole interest of British Columbia that the Pacific Railway was projected, but that the Dominion might have a great inter-oceanic highway of her own. He differed with the Government because they took a narrow, contracted view of the question, and he warned them, even had British Columbia declared herself ready to accept the sop which was held out to her as compensation for the railway, the great body of the people of this country would not have been satisfied; but, on the contrary, profoundly dissatisfied and indignant. Of course British Columbia had grave cause to complain on account of the delay in carrying out the agreement with her, especially in view of the haste displayed by the Government in placing under contract the Georgian Bay Branch. Ministers regarded a complete survey as of prime necessity in British Columbia—and in this he agreed with them—but why do they not pursue the same policy with reference to the Georgian Bay Branch Railway? They had actually entered into contract for the construction of that road, not

only without a survey, and where it would be utterly useless, but where it was impossible to build it, except at enormous cost. The first twenty-six miles from the mouth of the French River eastward, was a bare rock—naked granite—upon which even the most stunted weed would not grow. Why was it not as necessary to survey this line as thoroughly as that in British Columbia, before putting it under contract? And, moreover, it was not a part of the main line. There was a treaty with British Columbia to build the railway, which might have accounted for, if it would not have excused, some undue haste on the part of the Ministers, had they incurred some risk in proceeding with the work in that Province, but there was no treaty affecting the Georgian Bay Branch. No treaty, no trade, and no part of British Columbia could possibly be less fertile or less populated than the country through which the Georgian Bay Branch would pass if built; and yet, in the latter case, a contract for its construction had been entered into before the line had been surveyed—a contract, by the way, which the very facts he had recited had since compelled the Government to cancel. And now they talked about making the terminus twenty-six miles up the French River, and building a lock to make that river navigable to the Georgian Bay. Did the Government actually believe that propellers from the lakes would be diverted from their course to go even into the mouth of French River, not to speak of twenty-six miles inland? Surely not. It had been charged that this was being made a party question in this House. He denied that he and his friends regarded it from a party point of view in the sense in which that was generally understood. But the difficulty with British Columbia had arisen out of a party question—or, more properly speaking, out of party defection on the Ministerial side—a party mutiny he might call it. It was a very serious defection, for it was led by a great captain, a member of the other House, whose influence extended to this House, and caused the defeat of the Nanaimo and Esquimalt Railway Bill last Session. The hon Secretary of State had appealed to the House, and

* The liberality towards B. C. was never very liberal.

** B. C. grave cause to complain.

* Blake

especially to the members of the late Government—with whom he (Mr. Macpherson) had differed on their railway policy—to support the Government on that occasion, on the ground that an Order in Council had been passed by the late Government, declaring Esquimalt the western terminus of the Pacific Railway. The House had also been told that had these hon. gentlemen and their friends supported the measure, it would have been carried. But Ministers should look for support to those upon whom they had some claim, and it was because their friends refused to support their Bill that it was defeated. The Government had no claim upon the members of the late Government or their supporters, or upon a gentleman like him (Mr. Macpherson) who wished to see our great Northern Railway proceeded with, for support for that measure. It was not one for constructing or advancing the construction of the Canadian Pacific Railway, but for obtaining the consent of British Columbia to the abandonment of that railway. That consent was not obtained. He (Mr. Macpherson) would oppose all expenditure in British Columbia except that made in building the main line of the railway, or provided for in the agreement with that Province. The hon. gentleman from Montreal (Mr. Penny) had suggested that it would not be respectful to the House to submit the measure again. No one in the House had a more intimate acquaintance with public affairs than the hon. gentleman, and surely he did not pretend seriously to assert that it was not quite usual to submit measures, session after session, which were believed by the Government to be for the interest of the country. He gave the Nova Scotia County Court Judges Bill of last session as an example.

HON. MR. SCOTT. The Bill was thrown out last year for special reasons.

HON. MR. MACPHERSON said every Bill that was thrown out was thrown out for special reasons, and the Esquimalt and Nanaimo Railway Bill was no exception to the rule. That it should not be re-introduced was, he had no doubt, one of the conditions

HON. MR. MACPHERSON.

upon which the defection had been overcome, and the ranks of the Government party closed up. Why was the decision of Parliament so scrupulously regarded with reference to this particular measure, while it was so openly disregarded when the Georgian Bay Branch was in question? That the Government had a powerful political reason for urgency with the latter—although a reason they dared not make known to Parliament—he had very firmly believed. He also believed they originally intended to re-introduce the Esquimalt and Nanaimo Railway Bill, and it was very safe to presume that it was a party arrangement arrived at during the recess, which was fatal to that railway. The fact that the Government ordered steel rails to be shipped to Vancouver Island after the Bill authorizing the construction of the Esquimalt and Nanaimo Railway had been lost, proved that the Government then intended to renew their endeavour to carry out this arrangement with British Columbia, and expected to apply again to Parliament to do so. Unless they intended to do this, the shipment of rails, after the loss of the Railway Bill, was an act deserving the censure of Parliament. But he believed the truth was the difficulty among their friends had to be appeased, and one of these (Mr. Macmaster) who was most conspicuous for his opposition to the Railway Bill and contributed to its loss in that House last Session, only a few days ago made an ostentatious profession of his renewed allegiance to the Government. But among the conditions upon which peace had been restored were, he firmly believed, the sacrifice of British Columbia and the abandonment of the Canadian Pacific Railway so far as these objects could be accomplished by the present Government. He (Mr. Macpherson) did not regret the loss of the Esquimalt and Nanaimo Railway Bill, for he would have voted against it had the opportunity offered this year, as he did last.

HON. MR. PENNY. So would I.

HON. MR. MACPHERSON continued that it was a curious circumstance, after the rails for the Esquimalt road were at Victoria, the Government

should have abandoned the project and offered \$750,000 to keep the people of British Columbia quiet. The reason was perfectly apparent. Hon. gentlemen must not suppose that the members of this House were unable to draw their inferences from these circumstances and the others which happened concurrently. * * *

SENATE.

Monday, 3rd April, 1876.

PACIFIC RAILWAY.

HON. MR. LETELLIER DE ST. JUST (Page 274). If the hon. gentleman says so, very well.

HON. MR. MACPHERSON.—I said that an entirely different policy had been pursued in British Columbia to that with respect to the Georgian Bay Branch. With regard to the former, the hon. gentleman and the Administration said that nothing could be done until a thorough survey had taken place, of which I quite approved, but they did not follow the same course with the Georgian Bay Branch. The contract was given when not a foot of the line had been surveyed, and was afterwards cancelled.

HON. MR. LETELLIER DE ST. JUST. * * * Later Lord Carnarvon included it in the conditions in the way of compensation, and it would have been very difficult to refuse the intervention of the noble Lord. The Government accordingly considered it their duty to introduce the Esquimalt and Nanaimo Railway Bill, which passed through the House of Commons with the aid of the Opposition. They knew what the fate of the Bill was in that House. It was alleged that the Government had urged their friends there to vote against it; but this was not the case, and the hon. gentleman from Montreal, one of their friends, who so voted, had announced in the Chamber that he had been solicited by a member of the Administration to support the measure. The hon. gentleman had not said by whom he had been so requested, but he would add that this was himself.

The Government had made every effort to secure the passage of the Bill. A friend of the late Administration in the House of Commons had recently stated that, after consenting to support it in the Chamber, he came there with the consent of Sir John Macdonald to induce their friends to vote against the Bill. Could it then be said that the Government desired its rejection? Consure, in this relation, fell on the Opposition. The declaration to which he alluded had been made on Friday last in the House of Commons, by the hon. member for Cumberland, and it must certainly edify the hon. gentleman from British Columbia.

HON. MR. CAMPBELL. The hon. gentleman is quite mistaken. Sir John Macdonald, as far as I know, requested no one to vote against the Bill, neither did the hon. member for Cumberland; nor do I know that either did anything whatever in this connection.

HON. MR. LETELLIER DE ST. JUST. I did not say that Sir John Macdonald suggested it; but the Hon. Mr. Tupper, in reply to Hon. Mr. Blake, said that, though he aided to pass this Bill before that House, he came here to suggest, with the approval of Sir John Macdonald, who was sitting at his side when he made this statement—that it should be thrown out.

HON. MR. CAMPBELL. Was that said by the hon. gentleman himself?

HON. MR. LETELLIER DE ST. JUST replied: Yes; in presence of Sir John Macdonald.

HON. MR. CAMPBELL (Page 276) said the hon. gentleman (Mr. Letellier) had stated that Sir John Macdonald had said in the other House that, after voting for the Esquimalt and Nanaimo Bill, he advised his friends in the Senate to vote against it. He (Mr. Campbell) had written to the hon. member for Cumberland, asking him if such was the case, and his reply was: "No; what I said was, 'as the Government had voted down my resolution requiring them to submit contracts to this House, I said that if Sir John and I voted against the third reading, and our friends in the Senate voted against the Bill, there would be nothing inconsistent in it.'"

Refers to Tupper.

Blake's statement that Tupper visited Senate with Sir John's knowledge to induce Senate to vote down E. & N. Bill. See page 35, 38, 63, 59, 37.

Tupper's note to Campbell. See Sir John's Speech, p. 35. "bitter, &c." See Tupper's, p. 43.

HON. MR. LETELLIER DE ST. JUST said he had not stated positively that the hon. gentleman had said that he had asked his friends in this House to vote against the Bill, but he had suggested it.

HON. MR. CAMPBELL said the denial was complete on that point.

HON. MR. CARRALL. To whom did he make that suggestion? Not to me.

HON. MR. LETELLIER DE ST. JUST said in reply to Mr. Blake the hon. gentleman had stated that he had suggested to his friends in the Senate to vote against the Bill.

HON. MR. PRICE said he understood Mr. Blake had asked his own friends to do the same thing.

* * * * *

HON. MR. CARRALL's motion was carried on division. Yeas, 34; nays, 24.

EXTRACTS from the "*Debates of the House of Commons of the Dominion of Canada, 4th Session, 3rd Parliament, 1877,*" on the *Pacific Railway.*

HOUSE OF COMMONS.

Saturday, 21st April, 1877.

SUPPLY—PACIFIC RAILWAY.

Tupper states
Carnarvon
terms binding

MR. TUPPER * * * (Page 1677.)

Now, Sir, the hon. gentleman, as I have stated, first took power to construct this work directly by the Government and then made a solemn binding treaty with British Columbia and the Imperial Government, that by 1890 this work should be constructed and completed from the Pacific coast to the shores of Lake Superior. What is the distance between these points? It is something like, according to the Chief Engineer's statement, 2,022 miles over which the road was to be built; and the hon. gentleman made this engagement without the slightest qualification to the slightest provision that it was not to increase the existing rate of taxation. He made a binding, solemn treaty, and the good faith of the Government of this country was pledged as far as a Minister—and a Minister

Ditto binding.

has power to pledge it to a great extent—could pledge it without consultation with the House; and, without the knowledge of the House, the hon. gentleman entered into this engagement. In inviting his attention to it I would like to ask him whether the act of the late Government in engaging to subsidize with \$30,000,000 of money and 50,000,000 acres of land a company

HON. MR. CAMPBELL.

to construct the Canadian Pacific Railway, was a madder scheme, a more insane scheme, or a scheme exhibiting greater incapacity than was this scheme proposed by an hon. gentleman holding the views which he did in reference to the character of that work, as stated by him-self. Sir, over his own signature previous to the appeal made to the people, he published a manifesto containing the views and opinions of the Government in relation to this matter, and giving his opinion as to the cost of this work. He stated, Sir, in that manifesto, in January, 1874, his views in reference to this work at some considerable length:

"In the meantime, with a view to obtain a speedy means of communication across the continent, and to facilitate the construction of the railway itself it will be our policy to utilize the enormous stretches of magnificent water communication which lie between a point not far from the Rocky Mountains and Fort Garry, and between Lake Superior and French River on the Georgian Bay, thus avoiding, for the present the construction of about 1,300 miles of railway, estimated to cost from sixty to eighty millions of dollars, and rendering the resources of the country available for the prosecution of those links."

Now, Sir, in this statement, and I shall draw the attention of the House to it by-and-bye, the hon. gentleman estimated the saving of the 600 miles between Nipissing and Nipigon, and between Red River and the remaining 700 miles westward because these were the water stretches and the only water stretches he covers in his mani-

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festo—he estimated that 1,300 miles of railway, 700 miles of it through the prairie region, at from \$60,000,000 to \$80,000,000. That 1,300 miles of this road, and that, not the most unfavourable portion of it, more than half being prairie country, was going to cost between sixty and eighty millions of dollars; and in the face of that declaration, which I presume he would not make without having gone into some calculations with reference to it, the lowest calculation involving an enormous expenditure of money, this engagement was made by the hon. gentleman without any reserve, and without the slightest qualification as to whether the resources of the country would admit of it. Now, as we stood up to that period, we had a safety valve, and a clause exempting the country from being plunged headlong into a ruinous expenditure, but this was all swept away by the hon. gentleman who presented himself to this House with the declaration that this was a binding treaty which he had made, not only with a portion of ourselves, with our fellow citizens in British Columbia, but also with the Imperial Government, which was solemnly called on to take part in the negotiations affecting that arrangement. Now, Sir, I would draw the attention of the House for one moment to this question as one of great importance, because it had involved the most serious charge against the hon. gentleman and his Government that was ever made, or that ever could be made against any Government, it has involved the charge of bad faith. I hold, Sir, that serious as were the financial arrangements and great as were the pecuniary difficulties with which he surrounded this question, that by this arrangement, even that sank into insignificance compared with the question of having the good faith of the Government of Canada challenged, not only by the Province, and the important Province of British Columbia, a portion of ourselves, but also, Sir, broadcast throughout the world, through Great Britain and wherever the name of Canada was known. Up to that hour, Sir, no spot of stain could rest on the reputation of the Government of Canada with relation to any engagement that it had

ever made; but, I say that the charge of bad faith was brought against, and has been sustained against, the hon. gentleman, by arguments and by evidence so conclusive as to involve great trouble and great difficulty, I am afraid, on his part, in order to extricate himself from it; and as, Sir, there is no advantage to be gained in concealing from ourselves the true nature of the case, and as it is the plain duty of the surgeon, occasionally, as the first step towards the cure, to probe a wound to the very bottom, I feel myself called upon, for a few moments, to touch upon and examine that most important feature of this question. I may be told that I have had my answers, and that, too, from a very high quarter;—that His Excellency the Governor General, who has the best, and the most intimate means of judging of Ministers, has, in distinct and unqualified terms, exonerated, at all events, the Prime Minister from any charge of bad faith in relation to this matter. I cannot allow that, Sir, to prevent me dealing with the subject, but I shall touch on that point as delicately as possible, as I feel that the distinguished gentleman who rightly enjoys the confidence of the people of this country as few Governor Generals have done before, that men of all parties, and men of all classes recognize in him a gentleman who has devoted himself, heart and soul, to the best interests of Canada; and because no person will question his entire honesty in making the statement which he did, in reference to this matter. I will not discuss the question, Sir, of its constitutionality; but I say that it is one of the most serious charges against this Government, that they should render it necessary for the representative of the Crown to come down from the exalted position he holds, and take part in the discussion of political questions that agitate the country. Now, Sir, I say that the evidences of the breach of faith that have been raised on the part of the people of British Columbia, have not, in my judgment, been raised without a good deal of foundation. It will be remembered that the hon. gentleman who is now Minister of Justice, then occupied an independent position in this House, and a very independent

Tupper's
evidence good
of breach of
faith.

* Imperial Government took share of responsibility.

† Tupper on Canada's Pacific faith.

‡ Tupper's denunciation holds good against the present Government.

position at that moment, put a question on the notice paper. It was a very serious question, and it appears in the Votes and Proceedings on the 4th of March, 1875:

"MR. BLAKE—on Monday next—Enquiry of Ministry—Whether the Government intend to propose to Parliament any measure on the subject of the re-adjustment of the terms of Union with British Columbia?"

Now, Sir, it is known that the hon. gentleman had, in addition to engaging to construct this railway, the 2,000 miles of railway which the Government had power to build as a Government work, and which, by the period of 1890, he was to have completed, also engaged to add to that, outside of this work altogether, the construction of the road from Nanaimo to Esquimalt, sixty-eight miles of additional road. The Minister of Justice put this significant question on the notice paper, and what was his answer? The answer was given in the true spirit of the autocrat. The hon. gentleman said—but at that time, I suppose, he felt stronger than he did afterwards:

Mackenzie no authority to obtain or required

"With respect to the question raised by my hon. friend from South Bruce, I may say I have nothing to ask from Parliament. We have no authority to obtain, but have merely to communicate this decision and rely upon the House supporting us in accepting the terms that have been made through the intervention or intermediation of Lord Carnarvon, and that support, I do not doubt, will be cheerfully accorded."

So the hon. gentleman had made an unqualified engagement with British Columbia and with the Imperial Parliament, to spend \$2,000,000 per annum in British Columbia—build 68 miles of railway from Nanaimo to Esquimalt, and finish the line from the Pacific to Lake Superior, 2,000 miles, by 1890. Yet his answer was that from Parliament he had nothing to ask. But he altered his mind. Some significant divisions took place in this House. The present Minister of Justice, then sitting on the Independent benches, voted against the hon. gentleman on the Bill for the Nanaimo and Esquimalt Railway; and on a most important question, in which the legality of the proceedings of the Government in reference to the Canadian Pacific Railway was involved, the hon. gentleman put on his hat and walked out of the House, accompanied by another gentleman.

MR. TUPPER.

man, whose assistance the Government felt it necessary since to obtain on the Treasury benches as Minister of the Interior. The hon. gentleman had, before the Session was far advanced, some pretty strong hints that the position he had assumed, in which he undertook to deal with the most important financial interests of this country, and involving the most onerous obligations—obligations to which anything undertaken by the late Government seemed insignificant—was such that he was not as strong in the support of the House as he had led himself to believe. What occurred? The Bill was passed by this House by a large majority. This Bill provided for building the Esquimalt and Nanaimo Railway in addition to the rest of the Canadian Pacific Railway. I may be told that we contemplated building a road on Vancouver Island. We did. We had fixed upon a terminus at Esquimalt, but every person knows that that did not involve the additional cost of a dollar, as far as the financial resources of the country were concerned. The stipulation required that the parties obtaining the charter of the Pacific Railway should build this road, the subsidy to be the same as far as money was concerned. But the hon. gentleman changed his base. He, who to-day had nothing to ask from Parliament, to-morrow found it convenient to introduce a Bill for the purpose of constructing the Esquimalt and Nanaimo Railway. He passed this Bill through the House despite the opposition of the present Minister of Justice and other leading members of the Opposition. The Bill was lost, however, and significantly lost in the Upper House, by the votes of two of the warmest and strongest friends the hon. gentleman had in that branch of the Legislature. I am not going to say that it was lost at the instance of the First Minister, but I may say that his colleagues in the Upper House did not exhibit great enthusiasm in trying to obtain a majority. But the Bill having passed by a considerable majority in this House, was abandoned. This was a case in which the hon. gentleman could say: "The good faith of Canada is pledged; we are bound to the British Columbian and Imperial Govern-

* Tupper admits that Dominion Government agreed with Allan Co. to build E. and N. Railway, and that terminus had been fixed at Esquimalt; how now draw back honorably.

ments to carry this out ; I ask you to re-affirm the policy." The hon. gentleman could have used those efforts of moral suasion which are always in the power of a leader of the Government. But, no! He abandoned his policy, and an extraordinary occurrence presented itself. The hon. gentleman who was most hostile to the construction of this branch was taken into the Cabinet, as the result of a bargain that this road should be sacrificed.* That statement may seem a strong one, but I will sustain it by a speech delivered by the hon. Minister of Justice himself at Walkerton, in which he said that he would not enter the Cabinet until the Government had made up their minds to abandon their policy in this respect. The hon. gentleman said, as reported in the *Globe* :

"He would now touch upon a question with respect to which he had not been in entire accordance with the gentleman who was conducting the affairs of the country. He referred to the settlement attempted to be made through the Earl of Carnarvon with British Columbia. He had been of opinion that the settlement was more onerous to the country than it was advantageous to agree to, and he was happy to be able to say that, previous to his accepting office, discussions had been entered upon which had resulted in an agreement upon a policy satisfactory to himself. He would not tell them that they might hope for as satisfactory a settlement of the dreadful burden imposed upon them by their predecessors as they would like, but he had every reason to hope that matters would be placed in a more satisfactory position than at one time they could expect they would be."

And what was that policy proposed by the present Minister of Justice? It was to dip their hands into the public Treasury of Canada and hand \$750,000 over to the people of British Columbia for local works. The hon. gentleman seemed to think that all that was necessary in case of any embarrassment that such a sum of public money should be paid as might meet the emergency. But the hon. First Minister, who had thus abandoned his policy, said to the people of British Columbia that he was defeated in the Senate, and that the Government were compelled reluctantly to abandon the construction of the Nanaimo and Esquimalt Railway. My right hon. friend from Kingston and myself supported the Government in that proposition, and we voted for the second reading of the Bill. But when the

hon. gentlemen refused to agree that the contracts should be submitted to Parliament, we voted against the third reading, and our friends in the Upper House voted entirely in harmony with us. The great substantial element of the policy of the Government, arranged with Lord Carnarvon, regarding the construction of the Pacific Railway, was still left intact. Although the Government were not going to build the Nanaimo and Esquimalt Railway, they were to carry out the rest of the terms as to the Pacific Railway. The terms were onerous. I am not surprised that hon. gentlemen began to be alarmed. The hon. gentleman who had said that all the resources of the British Empire could not build the Pacific Railway in ten years had agreed to build 2,022 miles from the head of Lake Superior to the Pacific Ocean, in thirteen years from this time, that is, by 1890.

MR. CAUCHON. That is three years more.

MR. HOLTON. The question is whether it would be easier to do the work by 1890 or 1881. Carnarvon terms easiest.

MR. TUPPER. I say this: that the obligation on the part of Canada to give certain aid to a company which would find the capital to build the railway, and although the engagement was to finish it in ten years yet, as has been shown by Mr. Trutch, if it could not be done in the ten years the time would have been extended, provided honest, straightforward and conscientious efforts were made to fulfil the obligation the Government incurred, that obligation was vastly superior, as none knew better than the hon. member for Chateauguay, than that the Government should proceed with the road as a Government work, taking every dollar of the money required from the public exchequer, and by a loan and debt placed on the shoulders of the people of the country, build it by 1890. There is no comparison between the extent of obligation incurred in the two cases.

MR. HOLTON. The two points are quite distinct. The relative advantage of the two modes of constructing the road, and the possibility of building

Tupper and Sir John vote against E. and N. Bill, after voting and reading. See Sir John page 35. Tupper, 43. 59. See Senate vote, 37, 38.

* Blake entered Cabinet on condition that E. and N. Bill be abandoned.
† Mackenzie's violation of Carnarvon terms.

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the road within a given time. The latter was the point to which the hon. member was addressing himself when I ventured to throw across the floor the slight interruption. I say that, whereas, he agreed to finish the road by 1881, my hon. friend the First Minister proposed to build, not the whole but a considerable portion of the line by 1890, and the hon. member for Cumberland was denouncing him for undertaking an impossible task.

MR. TUPPER. The hon. member for Chateauguay will see this—and he will see it very readily—that the essence of the objection was, there being a time bargain in the first instance. We were told by the delegates that they would not hold us to the ten or twelve years, but that we might have whatever time would reasonably be required in the construction of the work. But the great assault made was that it was a time bargain, although it was made with a portion of ourselves. But here is a bargain to which the Imperial Government became parties, made after hon. gentleman have had further time for consideration, made to construct that portion of the line which will involve the longest time, viz., through the Cascade Range and Rocky Mountains, made without any qualification as to whether the resources of the country will permit it.

MR. HOLTON. Were the Imperial Government parties to the original engagements? Was it not in the address which formed the basis of Union?

MR. TUPPER. The Imperial Government were parties, in so far as they were willing—for that was all they had to do—that British Columbia and Canada should unite on the terms we had mutually agreed upon. Here is a case in which the Secretary of State for the Colonies had come to accept the position of arbitrator in the carrying out the agreement made between Canada and British Columbia, to which the Imperial Government were parties.

MR. HOLTON. Was not the ground of that interference of the Imperial Government that they were parties to the original agreement made by hon. gentlemen opposite?

MR. HOLTON.

MR. TUPPER. The colony of British Columbia felt they were entitled to go to the Imperial Government to complain in regard to any violation by Canada of the terms mutually agreed upon. But to return. The main feature of the policy was still left, all except the railway on Vancouver Island. Did the Government maintain good faith as to that? The First Minister came to Parliament and proposed a vote—a moderate vote—to carry on works connected with the railway. What happened? If hon. gentlemen would turn to the *Hansard* for 1876, they will find the record of a very extraordinary procedure. They will find that the hon. First Minister, having become wise in his generation, found that he had committed himself to this unqualified engagement—a point not noticed by many members of the Opposition on the inception of the matter—that his solemn pledge was unrelieved by any action of the Senate, the pledge to construct the road from the shores of the Pacific to the shores of Lake Superior, over two thousand miles, by 1890. What happened when that item came up for the construction of the railway? What did the hon. member for West Middlesex (Mr. Ross) do? That hon. member is not a very recalcitrant supporter of the hon. the First Minister. I will not say he is not an independent member, but among the hon. gentleman's followers he has none more devoted than the hon. member for West Middlesex; there is no hon. member who will make a greater effort to act in accord with the First Minister, and, I believe, the hon. gentleman on more than one occasion showed the hon. the First Minister that he was prepared to make a sacrifice in order to meet his views. What did the hon. member for West Middlesex do? He moved a vote of want of confidence in the Government. We had been voting them the Supplies. We, like a loyal Opposition, had been endeavouring, as far as possible, to promote the interests of the country; but submitting to the fact that we were a minority, and must accept the general policy of the Government, and on many occasions vote them larger sums than we thought necessary in the interests of the country, or demanded

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by the necessity of the case. We re-
cognized the obligation to assist the
Government in carrying the Supply
Bill. The hon. member for Middlesex,
however, moved his vote of want of
confidence, refusing to vote one dollar
for the construction of the railway
until the House had adopted the motion,
which was in these terms :

★ "But, while granting this sum, this House
desires to record its view that the arrangements
for the construction of the Canadian Pacific
Railway shall be such as the resources of the
country will permit, without increasing the
existing rates of taxation."

The moment that resolution was
moved the hon. the First Minister was
bound to rise in his place and state that
he would sacrifice his position as First
Minister before he would accept it,
because it involved an act of bad faith,
he had made a binding obligation with
the Imperial Government and British
Columbia, that a certain work should be
constructed in a certain time. It was
impossible to proceed with the work
at all if the resolution were passed. I
can show the House that the Govern-
ment of the day are, in the face of that
resolution, violating the constitution by
spending one dollar in connection with
the railway. What was the state of
things when the resolution was passed?
It was this: three millions of addi-
tional taxes had been levied on the
Canadian people, as the hon. the Min-
ister of Justice had stated in one of his
speeches; that British Columbia had
nothing to complain of, for
Parliament had provided three
millions of additional taxes for the pur-
pose of constructing the road. The
money was all gone, and to say that
under these circumstances the Govern-
ment should not be permitted to spend
that vote until they had accepted that
resolution, was to say that they should
not spend another dollar in connection
with the railway. The hon. the First
Minister was bound to have thrown
himself on the House, not on one side
but on both sides, and to have said:
"The good faith not of the Government
alone, but of Canada, was pledged by
the head of the Government to carry
out the railway, and I call on the
House to vote down the motion."† It
is said that the resolution was
drafted by a Minister and offered by a

Minister to another gentleman in this
House a month before, and he refused
to move it, and that resolution, moved
by the hon. member for West Middle-
sex (Mr. Ross) was voted for by the
Government and all their supporters;
and when they did that, they placed
themselves in a position from which, I
believe, with all their ability and
special pleading, they will find it diffi-
cult to extricate themselves when
arraigned by British Columbia, or by
the Colonial Minister, or any person in
this country, on the serious charge of
having been guilty of bad faith in
relation to this matter. When the
House rose for recess, (Page 1783) I
was dealing with the position in which
the Government were placed by the re-
solution passed at the close of the last
Session, and I had taken the ground that
any expenditure made since the pas-
sage of that resolution by the Gov-
ernment was not only unconstitu-
tional but illegal—that, in fact, they
were bound by the resolution to stop
at once any expenditure upon the
Canadian Pacific Railway. The reso-
lution which I read provided that the
vote for the construction of the road
should only be given to them under
the obligation that no portion of it
could be expended which would involve
increasing the existing rate of taxation.
Now, what was the position in which
the hon. gentlemen found themselves
placed the moment that resolution was
placed upon the Journals of this
House? Three millions of new ad-
ditional taxation had been imposed
upon the people of Canada, and, which
was admitted by one of the hon. Min-
isters to be mainly for the purpose of
constructing the railway. * * *
(Page 1709.) Thanking the House
for their indulgence at this late period
of the Session which they have
kindly given on the ground of the
vast importance of the subject, and
deeply regretting my own physical
inability, under the circumstances in
which I was compelled to address the
House, to deal with the question as
vigorously as the interests of the
country demand, I beg leave to offer
the following resolution:—

That Mr. Speaker do not now leave the
Chair, but that it be Resolved, That this House
cannot approve of the course pursued by this

Second tax-
ation resolu-
tion—see
Tilley's speech
p. 213 on rate
of taxation,
\$4.50 per head
77 and 78,
74 and 75,
\$5.31 less per
head. 82 cts.

\$3,000,000
additional
taxation.

* See page 240.

** Another act of bad faith,
† Ross resolution drafted by a Minister.

† Additional taxes.
‡ Bad faith.

Government with respect to the Canadian Pacific Railway.

MR. MACKENZIE moved that the debate be adjourned, the hour being eleven o'clock, and that it be the first Order of the Day for Monday.

Monday, 23rd April, 1877.

MR. MACKENZIE * * * (Page 1712.) I have to ask the attention of of the House for a moment to the position which this Administration found itself in, when it assumed office in 1873. It will be remembered that I opposed, in common with those who formed the Opposition in 1871, the plan which the Government then existing proposed for the admission of British Columbia. We pointed out that the terms which they proposed to make were so extravagant that it was quite hopeless to expect that Canada would be able to fulfil that engagement. We pointed out, day after day, with the greatest earnestness, that the difficulties which we were voluntarily incurring, the obligations we were about entering into were such as must of necessity either be broken or bring financial distress, if not ruin upon the country. We found that the Government of the day had a comparatively small majority it is true, but still a majority, with which to carry their measure through, and it was carried through. No one could comprehend at that time why that Administration chose to force through Parliament a measure so disastrous, even in its conception, and far more so in its inevitable consequences. It was very clear that it was not necessary to secure Confederation with British Columbia. It was quite clear to them then, as it is to everyone now, that the undertaking must be one of enormous cost. The people of British Columbia did not ask the terms that were forced upon them. They simply made a very modest demand that certain conditions should be observed as to making a road, as to proceeding with the surveys for the railway, and that, when these surveys were completed, a certain amount (\$1,000,000) should be spent each year upon the construction of the road. This was all that they ventured to ask

MR. TUPPER.

of the Dominion of Canada. And no doubt, as this was the maximum of their demands or expectations, a very considerable modification of these terms might fairly be expected, as it was quite evident that they were as anxious as we were that the whole of the Canadas should be united under the Dominion flag. But, notwithstanding this was pressed upon the Administration of the time, they resisted every attempt on the part of the Opposition to modify the conditions they were thus forced upon the country; and so Sir, the Bill passed, and Canada became bound by this obligation to construct a railroad from Lake Nipissing to the Pacific Ocean within ten years from that date. So that, in July, 1881, if the road were not constructed over that vast distance of 2,700 miles, the Terms of Union would be broken.* So secure was the Administration in its faith in its own scheme that it also bargained that the surveys should be completed within two years. Am I wrong?

SIR JOHN A. MACDONALD. My hon. friend has unwittingly made that statement several times. If he looks at the Treaty he will find the work of construction should be commenced within two years, and that the Government should secure the completion of it in ten years.

MR. MACKENZIE. Then, Sir, I am quite right, after all.

SIR JOHN A. MACDONALD. No.

MR. MACKENZIE: Then, Sir, if I am not right, the hon. gentleman means to say that the road should be built before it could be surveyed.

SIR JOHN A. MACDONALD: No.

MR. MACKENZIE. I think so.

MR. MASSON. You are doing that at the present moment.

SIR JOHN A. MACDONALD. Yes, before the surveys are finished.

MR. MACKENZIE. We know that the Province of British Columbia, shortly before the hon. gentleman left office, was obliged to protest against the conduct of the Government in not having these works of surveys completed and the work of construction actually commenced. However, it matters not as

Proposed terms and accepted terms—see page 141.
* Ky. papers

* Terms of Union, 1871, broken if C. P. R. not completed, July 30, 1881.

† First protest.

a. And no maximum of ons, a very of these ected, as it ey were as he whole of ed under the withstanding Administration every Opposition they were try; and so Canada beation to con- ce Nipissing n ten years July, 1881, ructed over 0 miles, the broken.* So ration in its that it also s should be ars. Am I

p. My hon. de that state- looks at the work of con- nenced within Government tion of it in

, Sir, I am

p. No.

, Sir, if I am an means to e built before

p: No.

nk so.

o doing that

p. Yes, be- ed.

now that the abia, shortly n left office, inat the con- a not having mpleted and ctually com- tters not as

to the statement. There is no doubt the Government were bound to commence the construction within* two years, but it was not commenced four months after that, when the hon. gentleman and his Government went out of office. Nay, more, at the time the hon. gentleman went out of office their scheme had entirely failed. * * (Page 1714.) Under these circumstances, the present Administration came into power. We were met at the very outset by a complaint from British Columbia that the terms were already broken† We knew, Sir, well, as well as we did before, if not a little better, that it was already hopeless to expect to be able to carry out the engagement the Government had entered into; and one of the first matters which engaged the serious attention of the Administration was the consideration of the course that should be adopted with regard to British Columbia and the building of the road. After various deliberations we decided to open a communication with the British Columbia Government, with a view to obtaining a relaxation of the terms. We all felt that, this solemn engagement having been entered into by the Government of Canada, it should not be lightly broken by a succeeding Administration, and we endeavored in that spirit to approach the Government of British Columbia. Though we met with very little success at first, we afterwards did enter into an agreement with them for a certain set of modified conditions. I need not refer to these now, because they are sufficiently well known to the House. They are known in British Columbia as the Carnarvon Terms, and are generally discussed under that name. Whether those terms were wise or unwise, whether they were extravagant or moderate, is not a question that I would discuss at the present moment. But I take this ground, that, situated as we were, we were obliged to do not what we would have done if we had had to originate the scheme. We had not the option of choosing for ourselves what course we should take. If the whole scheme had been thrown overboard, British Columbia released from any obligation under the Terms of Union, and her autonomy re-established as it was before

the terms were proposed in 1871, then the Administration would have been at liberty to consider what method, if any, should be adopted in order to secure a re-admission of British Columbia, or a continuance in the Union of British Columbia, had she chosen to remain without going out. There could be no question of this, that, if any arrangement could not be made, British Columbia would be entitled to leave the Union, and to a restitution of the position she had previously occupied. Now, Sir, I confess to having a good deal of anxiety for many years to have the Confederate system of Government established all over British North America. I confess I have repeatedly sacrificed some of my own individual views, and I have on occasions failed to act with some of my most cherished political associates, for the purpose of giving effect to that desire, and I would have viewed, as I view now, with a great deal of regret, any step which should be taken for the division or excision from the Confederation of any single Province that now composes the Confederacy. And, while I have this desire, perhaps stronger than many other public men, to avoid what we would consider, to a greater or less extent, not a disastrous result, perhaps, but a result to be regretted, the Government acted upon that desire, for they all felt it would be exceedingly desirable to avoid such a conclusion as would necessarily lead to one of the Provinces leaving the Confederacy. The hon. gentleman opposite (Mr. Tupper) has taunted me with having acted on the occasion inconsistently with previous discussions. He has declared that the ground I took when in Opposition in 1871 was not the ground I took as an Administrator in 1874-75-76. Why, I admit that. If I had taken the ground I did in 1871, it would simply have resulted in disaster all around, because a certain step had been taken which was irrevocable, and we were obliged, as an Administration, to consider, not what would be consistent on our part to-day, but what would be the best policy to adopt. A disastrous policy having come practically into operation, we were bound as statesmen to consider not our own individual

Mackenzie says B. C. has a right to secede.

crotchets or opinions which we fought for years before under different circumstances, but what was essentially necessary under new circumstances altogether in order to meet a great political and national emergency. Why, my opinion was that, though it was desirable to have a railroad across the continent, while I looked upon it as a political necessity at some time or other, I never believed and I never said we were in a condition in 1871 even to commence that undertaking, and if I had followed out my conviction of 1871, I would have used the power which the people of Canada had given me and my associates in order to stamp the whole thing with our disapproval, and wait till more propitious times and a more serious emergency should necessitate our undertaking a large expenditure for such a vastly tremendous undertaking. Those were the views I held. Those are the views I am bound to say that are held by nine-tenths of this House at the present moment. Those are the views which I know are entertained by the country, and those views are views which have to bear some practical fruit in our legislation and through the intervention of the Administration of the day. Why, Sir, were we to refuse to carry out the terms after this legislation had been made, after the solemn treaty had been entered into by gentlemen opposite?—a treaty I stamp now, as I have always stamped it, as one of the most insane acts of legislative madness ever known, and I say that the men who perpetrated it deserve, I might say, the everlasting political execration of the country, because they introduced an element of confusion. They knew they were deliberately undertaking a project which could not be carried into effect. The hon. gentleman opposite (Mr. Tupper) now deliberately washes his hands of the whole thing. He said that, while it is true we passed the Bill of 1871, the resolutions of Union, we afterwards passed a resolution declaring that the works should only be done if we could do it without increasing taxation. Will he show me a paragraph, a sentence, a word from the people of British Columbia to say that they so

MR. MACKENZIE.

understood the resolution? And why, then, was not the resolution embodied in the Minutes of Council? If it was intended that this resolution should have the effect that the hon. member for Cumberland (Mr. Tupper) now contends for, why was it not adopted as part of the Act at the time? The resolution which the hon. gentleman took through the House, upon which the Order in Council by Her Majesty is based, is a complete governmental and legislative Act. It has no reference to any resolution. There is not a word that refers to anything as a justifying clause, and the hon. gentleman acts a disingenuous part in professing what he never did pretend before. The hon. gentleman never did take that ground until two years after his expulsion from office, and he only took that ground when he found that it would be possible to make some capital against the Administration of the day. He thought that the time had sufficiently passed away to cause the people to forget, to a greater or less extent, the transactions in which he and his associates had been engaged. He thought that now was the time to commence a new line, and to take new ground—ground which had never been taken before. Now, Sir, when the Carnarvon Terms were first proposed, and were being discussed in this House, what did the hon. gentleman say in his place in the House then? He says now that they were not bound by the Terms of Union at all, unless they could have been consistent with that resolution. He says that we are bound by our Carnarvon Terms, and that this resolution has no effect as applied to us, although he knows that we embodied that resolution in our Act of 1874; although he knows that by our Minute in Council of the 20th September, 1874, we deliberately expressed the opinion, in assenting to those terms, that it was because we believed that the concessions suggested might be made without involving a violation of the spirit of any parliamentary resolution or the letter of any enactment. Sir, if we had believed that these terms could not be carried out without a violation of that resolution, we would not have

agreed to them. The hon. gentleman in discussing this question spoke as follows :—

"But, Sir, the fact of the engagements which the First Minister has just stated were entered into with British Columbia during the past season, set at rest and forever any question as to whether we are in a position that would allow us to doubt and hesitate a single instant what course to pursue. I am not going to call in question the propriety of this engagement for a moment. I feel that the Ministry of the day are entitled to the support of this House and especially of the gentlemen who sit on the Opposition benches in any measure which is required to carry out the pledge—perhaps a somewhat imprudent pledge—that was given by their predecessors in relation to this great work; and I feel that they may look with confidence to this side of the House for the most energetic support of the measures they have taken—I believe wisely taken—for the redemption of that pledge."

Now, Sir, here in this paragraph, he alludes to the engagements they had made as imprudent engagements, and declares that it was the duty of himself and his colleagues in Opposition, to give to the Ministry of the day their hearty support in carrying out the Carnarvon Terms which, on Saturday night, he denounced as extravagant and absurd. I need hardly, Sir, have referred to this in order to show the difference of the ground which the hon. gentleman takes now and that which he took on a former occasion, but I made this quotation to show, in his own language and in his own express terms, that he considered the pledge they had given—it is a very moderate term to be sure—an imprudent pledge; and that while discussing these matters he never referred to the resolution as governing the action of the Administration in this matter, and as governing the obligations entered into by this country. Sir, I think that this resolution had some effect; I think that it indicated the opinion of this House, and I think that the delegates from British Columbia must have attached more or less importance to it.

MR. DECOSMOS. No.

MR. MACKENZIE. An hon. gentleman behind me says they attached no importance to it. I know that they always said so; but, Sir, there is no doubt of this—that the resolution, while having no legal effect, must have had some moral influence and effect upon those with whom we came to dis-

cuss this question afterwards. I am bound to say that I never found the slightest inclination on the part of any British Columbian to recognize the force of that resolution, and my hon. friend behind me, the hon. member for Victoria, expresses that very strongly; but the hon. gentleman at the same time has never, as I have heard of, expressed a single word adverse to the hon. member for Cumberland, although he knew that he (Mr. Tupper) took this ground a year ago. It would be very bad ground for us to take, but it is all right for the hon. member for Cumberland.

MR. DECOSMOS. Would the Premier allow me to make a brief remark. I will state this: that during last Session I called the attention of the hon. member for Cumberland to his statement, that the resolution respecting taxation in connection with the Pacific Railway was not part of the terms; and I also referred to the Minister of Justice as having cleared that up most satisfactorily the same evening; so the First Minister, I take it, is a little astray.

MR. MACKENZIE. Perhaps I am mistaken, Sir, but I have no recollection of hearing the hon. gentleman say so. I think that, if he did, it must have been in an exceedingly mild way. I do not think that my hon. friend spoke with his usual energy on that occasion.

MR. DECOSMOS. I can assure the hon. gentleman that I am not accustomed to speak in any other than a mild way, though with some hon. gentlemen this is not a common custom.

MR. MACKENZIE. I was proceeding to show the ground that was occupied now by the hon. gentleman opposite, and, I presume, by his associates, though it is difficult to know how the hon. member for Kingston could sympathize with that. He could not possibly have believed that the Terms of Union were not binding as to the ten years, because the hon. gentleman, in a speech he made at Kingston, when he merely suspected us of trying to get a relaxation of the terms that he had made, openly advised the British Columbians to secede.

Sir John and
secession of
B. C. See
page 3 & 67.

SIR JOHN A. MACDONALD. No.

Secession.

MR. MACKENZIE. The hon. gentleman says "No." It is true that he hid it, as he does many things, in a very clever way. It is true that he did not say: "I advise you, gentlemen, to leave the Union at once;" but he did say, and he gave the weight of his great authority in this country to the opinion—that they were entitled to secede, because we sought to obtain a relaxation of the terms; and now, Sir, the position of the hon. gentleman is simply this. Why, Sir, they would engage to build a railroad to-morrow to British Columbia, or anywhere else on this continent, if they could only get into office by making the declaration. And it is one of the noticeable features, I have observed, that there has not been a single speech made by either of the political twins opposite, during this Session, which has not either begun or ended with the expression of a desire and hope that they would soon be over here. It is the beginning and end of their day thoughts and of their night dreams, and they have got so possessed with the idea that it is impossible for them to discuss the simplest business matter in this House without expressing their anxious desire to be back to these clover-fields on this side. I am afraid, Sir, that the hon. gentleman and his associates will have to wander for a long time to come in the bare shades of Opposition, and will have to get what pickings they can.

SIR JOHN A. MACDONALD. I am afraid that the hon. member will not leave us much clover if he goes on in the way he has done.

MR. MACKENZIE (Page 1718.) * * Well, Sir, having referred to these matters, as I have done, I shall proceed with the other part of the remarks I intend to make. I was pointing out, when I made this digression, what the duty of the Government was under certain circumstances. Our duty was clear, to make the best of the circumstances in which we found ourselves—to adopt that course which we believed would be most productive of peace and harmony with British Columbia, and at the same time to save the people of this country from an intolerable burden which the country would never be able

MR. MACKENZIE,

to bear. The hon. gentleman referred at considerable length on Saturday night to a disagreement between my hon. friend the Minister of Justice and myself, as to the Nanaimo Railway Bill. I will only refer to that to say that the ministerial explanations that were given at the time are quite sufficient to meet all the remarks the hon. gentleman made in that direction. The hon. gentleman, Sir, said, in quoting an article from some newspaper, the *Ottawa Times*, that I could not shake off the responsibility for that paper. I shake off all the responsibility for any paper in Canada. No paper has ever been authorized to express my views on any subject whatever. The mere fact that I support Liberal newspapers requiring my support with some of my own money is no reason why I should be responsible for any of their opinions, except in so far as my own opinions are fairly reflected by articles in such papers. The Government having determined to seek a modification of the terms, and having assented to the terms ultimately proposed by Lord Carnarvon, with the saving exception that I have mentioned, that it could be done consistently with the resolution passed in Parliament, to which reference has been made, the next step was our seeking authority of a legislative kind for the construction of the railway. The hon. gentleman opposite pointed out, on Saturday, that I said in the House, in reply to my hon. friend the then member for Bruce (Mr. Blake) and now the hon. the Minister of Justice, that the Government had no necessity for asking authority in these concessions, neither did we force the road or expect any vote in Parliament. But, with regard to the Esquimalt and Nanaimo Railroad, that was a different matter altogether. We had never recognized that as a part of the Pacific Railway, and we were bound, therefore, having entered into the engagement with British Columbia to build that 65 or 70 miles of railway, to seek Parliamentary authority for it. That Parliamentary authority was granted in this House. The two hon. gentlemen opposite voted for one reading of the Bill, and voted against the next on the pretext that they were not willing to allow

* See Edgar's proposal May 8, 1874, stating it was portion of E. and N. R. and O. C. March 1875; for land in V. Island and to Sec. E. and N. R. Bill.

the contract to be submitted for parliamentary ratification. But let me point out why they were not willing. We simply desired to proceed with that work as rapidly as possible, as we engaged with British Columbia it should be done, and if we had to wait another year for parliamentary authority it would be a year beyond the time. That was our reason; not because we were unwilling to submit any contract to Parliament, because in one case in which we were not obliged to do it we submitted a contract for the approval of Parliament—that was relating to the Georgian Bay Branch. The action of the Senate, Sir, destroyed that part of the arrangement, and the hon. gentleman says that, because the Senate by a majority of two threw out the Bill, I was bound to adopt the same course that I said he was bound to adopt with regard to the National Policy. If I had lost my Bill in this House, I would have been bound to adopt that course; but I lost the Bill in a House which is not responsible to the people, over which the people and myself have no kind of control. It was lost, as many governmental measures may be lost, and when such measures are lost in a House somewhat different to it in England, the House of Peers, no Ministry thinks it necessary to resign on that account. I think we would have been subject to the gravest political censure from our political friends, and from all constitutional thinkers, if we should have adopted that course on that occasion. It would be practically saying to the whole public: "We know we have your confidence; we have the confidence of the popular branch of the Legislature; we have the confidence of the people; but we will allow governmental action to be governed solely by the other branch of the Legislature, which has no popular element in its constitution, and which existed, without any change worth noticing, as it was when we assumed office." Now, Sir, one of the principles upon which we acted from the first, even when we were in Opposition in 1871, was this: that, until the country had been thoroughly surveyed, thoroughly explored and the route determined, it would not be advisable to

enter into any contract, or to invite tenders for the construction of the road. That purpose we have adhered to from first to last. We pushed on the surveys as rapidly as possible, and, as I explained on a former occasion, the contracts that were made on the eastern end of the line were let, simply because the surveys were there completed, and because it was desirable to get into the prairie country at as early a day as possible, as entrance into the prairie country of a large population is almost an essential element to be considered in the project for the construction of a road across the continent. Now, Sir, I propose to deal for a few moments with the assertions of the hon. gentleman as to the course, because it involves the consideration of the Nanaimo and Esquimalt Branch, and it involves the discussion of the terminus at Esquimalt as fixed upon by the hon. gentleman's Order in Council. * * * (Page 1720.) The hon. gentleman, in speaking of the Esquimalt and Nanaimo Railway Bill the other night, said that we assumed the task of completing this road upon the Island, and that we were not called upon to do it. When he had to account for the fact that they themselves had fixed the terminus there, he said they required the contractors to do that without any extra cost. We know from Mr. Marcus Smith's calculation that it will take \$27,500,000 to build the road from the head of Bute Inlet to Esquimalt. But he said the contractors were to do this without charging the country a dollar. What magnanimous, rich and generous fellows these contractors are. But where are the contractors? Why, Sir, the hon. gentleman knows he failed to find a contractor that would touch it, even without knowing that the contractors would be obliged to build the Esquimalt Branch for nothing. It was not known at the time that they were going to Esquimalt. That Order in Council was never made known to Parliament until 1873; that is my recollection of it. And these people went home to England on the understanding that they were simply to reach the Pacific Ocean; but here the hon. gentleman says that they were to build 260 miles

* Not necessarily; but Mackenzie's bargain with Blake did so far as Canada is concerned. See also Dufferin's Speech, page 258, Railway papers.

Panic faith,
bad morality.

of railway after reaching the Pacific Ocean, and that they were to do this for nothing. It is the sheerest trifling with the public mind, it is the sheerest trifling with this House to say that any company would undertake to build what the Government chose to put in for \$30,000,000 and 50,000,000 acres of land. The whole scheme was undertaken quite evidently to serve a temporary political purpose; and they resolved that they would first secure that political purpose, and that then something or other would happen which would enable them to gain something in the scramble. They were utterly unworthy of the position they held, when they entered into an agreement which they knew they could not carry out, and which the hon. gentleman now tells us they never intended to carry out. And I appeal to the House and the country against that kind of political morality, which will sanction a treaty being entered into, and three years afterwards it being declared that they never meant to carry it out. Sir, I am astonished that any public man would give utterance to such a sentiment as the hon. gentleman has admitted to be the sentiment which animated him at the time; and which governs his actions now, and that he has no other object in view but to endeavour to reach the position he is constantly telling us he is to reach very soon. Now, Sir, I shall say nothing about the sop to Cerberus or who represents Cerberus in the matter. The hon. gentleman says the money given to the Island was a sop thrown to Cerberus. My hon. friend from Vancouver can deal with that, as he knows what is meant by it.

MR. DECOSMOS. There were British Columbia and Imperial interests also.

Union an
Imperial
measure.

MR. MACKENZIE. A word as to British interests. The hon. gentleman said the Carnarvon terms, as they were known, were not only an engagement with British Columbia but with the Imperial Government. The very basis of the negotiation with British Columbia was that the Order in Council of 1871 was also Imperial in its character. The hon. gentleman

MR. MACKENZIE.

knew that it was impossible to carry this out without the Imperial sanction. He knows that Columbia appealed to Her Majesty, and that Her Majesty's Government, as the guardian of those interests which were committed to them by both parties, when both parties sought Her Majesty's assent to these resolutions, were placed in this position as much as we were placed in it, by our action of being subject to the same extent to Imperial opinion, if not to Imperial control. There is nothing in the arrangement made by this Administration, through Lord Carnarvon, but what has not been accepted by British Columbia, in consequence of the failure of the Esquimalt and Nanaimo Railway Bill, that differs in character from that which was adopted by the hon. gentleman in 1871—not the slightest—so that, if the resolution as to taxation applied to govern their action of 1871, the same resolution applies to govern the plan as adopted by the present Administration, and we have always held to whatever moral extent it might be supposed fairly to have effect. Sir, we stated, in the first place, in 1874, in accepting these terms, that we did it because we conceived they could be carried out without violating that parliamentary resolution. We stated in a subsequent Minute that these conditions arranged with Columbia through Lord Carnarvon were necessarily predicated upon, and subject to, this Parliamentary resolution of a certain date. That will be found in our despatch, and in the Act of 1874 we embodied that resolution. In the vote of Supply last Session, when the amendment was moved by my hon. friend from West Middlesex (Mr. Ross), almost the entire House gave its assent to that doctrine; showing that, while we admit that it had no legal effect with British Columbia, and could not and should not be dealt with as a legal rider to the Terms of Union, there was a moral effect to be attached to it, which must govern the action of this country. And I have stated over and over again, in asking for the votes to carry on this work, the purpose and intention of the Government to remain within this resolution. The hon. gentleman says we have already increased

* The moral effect intended was to affect public opinion adversely to C. P. R.

taxation. To be sure we have, because we found it necessary, apart from the Columbia expenditure altogether, in 1874 to obtain an increase of revenue. It was not on account of that, but other expenditures had increased to a great extent and there had been a great falling off in the revenue from other sources. But the mere fact that we increased taxation does not bind us to increase it any more. We are not to say that, because we have an engagement with a party and we shall not increase taxation to pay him, we shall not increase it for any purpose. Therefore we consider that our faith was thoroughly kept with British Columbia; that, in fact, we have shown an anxiety to preserve the good faith of the country to the utmost possible extent; and no taunts of the hon. gentlemen opposite, no accusations will, in the slightest degree affect our purpose in that regard, or our policy, which is to carry out in good faith these engagements, so far as the financial condition of the country will permit us to do so. * * * (Page 1727.)

I have little more to say. In conducting their general policy, the Government have had to encounter great difficulties. They have had to call on their supporters to make some sacrifices in relation to the voting of public money. They have to call on their supporters to support them still in carrying to a successful conclusion such negotiations as may yet become necessary with the Province of British Columbia. I have pointed out, with regard to those obligations which were not of our creating, that we succeeded at least in modifying them, and that we have endeavored, to the best of our power, knowledge and ability, to serve the public, both in the old Province of Canada and the Province of British Columbia; and if we have not been so successful as we would desire, if the circumstances of the country have been such as to require us to move with caution and discretion, I am quite sure that, in that matter, every single member who has supported myself and the Government that I lead, from the first, will be prepared to make due and proper allowance. * * *

MR. WRIGHT (Pontiac) said: * * * (Page 1752.) As to the alleged in-

sanity of the terms with British Columbia, he had sufficient confidence in the people of that Province to believe that had the railroad been put under construction there would not have been the same discontent as existed now, even if it had not been completed within the ten years. * * (Page 1753.) The hon. the Minister of Justice in a speech at Aurora endeavored to excite discord between the Provinces. Because the Province of British Columbia was a small one in its representation, and did not have a sufficient number of votes to make itself felt, this should be no reason why the moral obligations incurred with respect to it should not be carried out. If British Columbia was a disaffected Province, the Government was responsible. Instead of trying to cement the Union, the hon. the Minister of Justice taunted British Columbia with being nothing but a sea of mountains.

* * * * *

Tuesday, 24th April, 1877.

SUPPLY—PACIFIC RAILWAY.

MR. DYMOND. * * * (Page 1778.) Many years would pass over before the road would be completed. British Columbia might seem a burden to them during that period, but, although what he said might grate harshly on the ears of some of his most respected political friends, he believed that this country had no conception of what value that Province would ultimately be to the Dominion. He believed that in Vancouver Island alone there was a mine of wealth of which those who first promoted the Union had no idea whatever. They had there in juxtaposition the three greatest ingredients of national wealth. They had coal of the best class, no less than 100,000 tons of which were exported to San Francisco last year. They had also iron of fine quality, and the limestone necessary for its manufacture. They had in the exhaustless fisheries in the seas which surrounded the Island, the cheapest food that could possibly be given to man, and they had a territory, if not in

Moral obligation of Canada not weakened by small representation of B. C.

* It was stated that increase was for C. P. R. construction.

† New Negotiations contemplated.

our own soil, immediately contiguous, within American jurisdiction, capable of raising all the vegetable necessities of life on the cheapest possible scale. These were ingredients of a great national industry. Besides, they should remember that Vancouver Island was within 4,000 miles of Japan, with a population of 33,000,000, and at a not much greater distance from China, with a population of 425,000,000. They had, then, for prospective customers, the population of two countries which were just about beginning to witness the dawn of a new world civilization; customers who would be supplied from our Pacific seaboard as easily as from any other part of the world—far more easily than from England, far more easily than from any European country. He was quite aware that Canada must for a considerable time be content to bear a heavy burden in order to accomplish this great work; but, whether they looked at it as a matter of interest, whether they looked at it as a matter of national good faith, that work would have to be accomplished. If they turned, for example, to the parent country, they would find that the main source of the power and credit of Great Britain consisted in the dependence that had always been placed upon her plighted word; and we could not in Canada today, in our relations with British Columbia, any more than in our relations with any foreign power, dare for one moment to utter the shameful word "repudiation."*

Dependent
on her credit.

Canada does
not repudiate.

MR. LANGEVIN said * * * (Page 1781) he was glad to hear the hon. member for North York (Mr. Dymond) express himself as he did, because on that he was perfectly right. That country and the country west of it, he meant British Columbia, were great countries; they were full of wealth, and they would be great sources of wealth to the Dominion. He need not go into the details of the resources of British Columbia, the hon. member for North York had indicated some of them. They were great and real. He for one had had an opportunity of seeing with his own eyes what that Province was, and he stated that it would be one of

MR. DYMOND.

the most beautiful Provinces of this Dominion. There might be, as an hon. member, whom he regretted not to see in his place on account of sickness, had said, "a sea of mountains" in that country. But that hon. gentleman would change his views, ideas and convictions were he to go there and see that country for himself. He would find that it was a country worth annexing, that it was full of resources, and only required a railway which would bring it population and wealth, and the money that we would expend there would go back to the coffers of the Dominion tenfold. * * * (Page 1782.) He would not discuss that policy at any length as it had been discussed by others before him, but he would speak now of the two roads which had been mentioned by the First Minister as being the lines between which the Government would have to decide the route of the Pacific Railway through British Columbia. The first route was by the valley of the Fraser River, and the other by Bute Inlet. Of course he (Mr. Langevin) might have his predilection in favor of one route over the other, but he did not intend to show that predilection, but merely to show the advantages and disadvantages of both lines. By the Fraser route the hon. the First Minister said they might bring a railway down to Yale, and then Yale would be accessible by water all the year round. That was a statement which he had no doubt the First Minister had good grounds for making; but he could assure him that, were he to go to British Columbia, he would find that the Pacific Railway could not end at Yale, but must go down to Burrard Inlet, because he would see if he were there in the winter months that Yale could not be reached by that means.†

MR. DECOMOS. Hear, hear.

MR. LANGEVIN said he did not make the statement as a reproach to the First Minister. It was quite natural that he might make a mistake of this kind about localities which he had been unable to visit, but those who had visited British Columbia, or had come from that Province, would tell him the same as he (Mr. Langevin) had

* She has practically repudiated her Railway agreement with B. C.

† Yale not sea-board. It could not be reached in winter months.

and he was sure his hon. friend from Victoria (Mr. DeCosmos) would support him in that.

MR. DECOSMOS. Hear, hear.

MR. LANGEVIN said the other objection to that route was that the line went too near the American frontier. Of course it was said that there was no danger of a war with the United States, and that that should not be a question. Well, there might be no difficulty now, we might be at peace for sixty or a hundred years; but, when a work of this magnitude was being built, when they were to expend large sums of money, they should put the railway at the proper place, they should adopt the proper line, they should look to the future and say: "Is that the line the railway should follow were we an independent power, were we in difficulty with the United States?" because, of course, though one smiled when we spoke of war between Canada and the United States, it must not be forgotten that Canada in a hundred years' time would not be the Canada of to-day, that instead of four millions, as we had to-day, we would have a hundred millions or more in a hundred years, and would be a great country, a great power on this continent. We should therefore locate our line where that great empire of the North would require to have its railway built. Another reason against that line was that with a short road, a short branch, the Americans on the other side of the line could tap our Pacific Railway, and we would put the terminus within their territory, and build up a great city there at our expense. We would have built a railway and spent millions upon it, and finally the great terminus of the road would be on American territory.

MR. DECOSMOS. Hear, hear.

MR. LANGEVIN said that was a great objection. There was another reason also. When they went down to Burrard Inlet, there they required, according to the report which had been placed in their hands lately, in order to bring ships to Burrard Inlet, a towage of 70 miles, and when they went into the interior of Burrard Inlet of nearly 90 miles; at all events it was a long distance, and that was another

objection. Further on their way they would have to pass under the guns of the Island of San Juan.

MR. DECOSMOS. Hear, hear.

MR. LANGEVIN said it was a very unhappy day when we lost San Juan; but, of course, the matter had been left to an arbitrator, and he had decided against us. He had no doubt he decided according to his conscience, but it was a very sorry day for Canada. It was true that going by the Fraser River they would pass through a settled portion of the country. On the main line they would go through a territory where, according to the First Minister's statement, the grade would not exceed 52 feet in a mile, and they would obtain, perhaps, a shorter route than the Bute Inlet route, and consequently it might cost less than the latter. These were the objections to and disadvantages of that route. Coming to the Bute Inlet route, there they had a more direct route. They might have heavy work, and they had the crossing of the Straits to go to the Island of Vancouver, and they had a railway to build from Nanaimo to Esquimalt, but was it worth still having a difficulty yet existing with British Columbia about that railway, when they did not hesitate a minute in building a branch of fifty or sixty miles from Lake Superior to the junction of the Lake Nipissing Railway?

MR. DECOSMOS. Hear, hear.

MR. LANGEVIN said if they had spent the money to build that railway from Nanaimo to Esquimalt it would have avoided all the difficulty and all the heart-burnings which had been created. He was sure that if hon. gentlemen could visit British Columbia and see both lines they could find advantage in both; but they could not help seeing that if the Fraser route would cost less, if it would be less in length, if the grades would not exceed fifty-two feet in the mile, on the other hand, the Bute Inlet route would be further from the frontier, and would have as its terminus either the harbor of Esquimalt or the great harbor of Barclay Sound, in which case they would not require to pass under the guns of the Americans, and they would have access to the

By building E. and N. section all heart burnings will cease.

* Langevin's opinion of Fraser Route don't favour it.

† 70 miles towage to Burrard's Inlet, go to Port Moody.

Ferry to
Nanaimo.

ports all the year round. He believed that Burrard Inlet was also open throughout the year.* From this Inlet they could cross in a ferry to Nanaimo, and go by the Nanaimo Road either to Esquimalt or Barclay Sound. At the latter place there would be a very short line indeed, and, therefore, in both cases, whether they selected the Fraser River or Bute Inlet route, they could reach the harbor of Esquimalt or the harbor of Barclay Sound, and have the harbor open during the whole year, where protection could be afforded by the British fleet in the event of a war. Besides, the railway would be far enough off from the Americans at Bute Inlet to be protected. The contrary was, perhaps, the strongest reason urged against the Fraser route, but it might not be an insuperable difficulty. He had done his best to be as impartial as possible between the two lines. The First Minister had alluded to the passage of the Bill relating to the Esquimalt and Nanaimo Railway through the House, and its defeat by a majority of two in the Senate. They knew of whom this majority was formed, being composed of friends of the hon. gentleman, who had just been appointed to seats in the other Chamber. Never-

theless, these hon. gentlemen had acted independently and very properly, because the Senate was established for the purpose of controlling too hasty legislation. The hon. gentleman said he would have been censured had he resigned on that occasion, but he (Mr. Langevin) did not think that a member of the Opposition had ever stated that the hon. gentleman should then have resigned. If, however, that measure was such as should have received the sanction of the House, why had not the hon. gentleman re-introduced it the following Session? Nothing had happened in the interval to cause the hon. gentleman to believe that the Bill was an improper one; and during that period the hon. gentleman had appointed other Senators. What reason did the hon. gentleman have for having three years previously, before a vote had been given in the Senate during the present Administration, asked the Imperial Government to empower him to appoint six additional Senators—not in accordance with, but in violation of, the Constitution, which only provided for such nominations in cases of extreme emergency, when the Senate had repeatedly refused to allow public measures to pass? * * *

* Entrance or Burrard Inlet, about 15 miles from Port Moody.

EXTRACTS from the "*Debates of the House of Commons of the Dominion of Canada, 1st Session, 4th Parliament, 1879,*" on the *Pacific Railway.*

HOUSE OF COMMONS.

Saturday, 10th May, 1879.

CANADIAN PACIFIC RAILWAY.

RESOLUTIONS PROPOSED.

MR. TUPPER * * * (Page 1886.) It will be remembered that, after the Union of the British North American Provinces, as at first embraced, the general opinion and sentiment of the people was that it was exceedingly desirable that the North-West Territory should be added to the Dominion, and measures were taken which, I believe, met with the approval of all political parties for the purpose of acquiring

MR. LANGEVIN.

that vast territory. Then it was felt on the part of the then Government, led by the right hon. gentleman who is now the head of the present Administration, that the consolidation of British North America would be incomplete; that the consolidation of British power on this continent would be incomplete if the Pacific coast Province of British Columbia were not added to the Confederation. When the addition of that Province to the other united Provinces was brought under consideration, it was found that to have a real union between that Province and the other portions of Canada, a line of communication of some kind was indispensable, and to make that line valuable it must

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be a railway. The Government addressed themselves to the duty of devising measures by which that might be accomplished, but when they pledged themselves in good faith to British Columbia to promote the construction of that line of interoceanic railway, they were under the impression that the question was much easier of solution than it has since proved to be. The Government believed that by appropriating 50,000,000 acres of land and \$30,000,000 of the public money, parties would be found who would take the scheme up as a private enterprise, and carry it to completion. It may be said that those opinions were not well founded; but the Government, at that time, believed they were well founded, and that they had abundant evidence that this great work could be accomplished in that way. Those expectations were not realised, and I need not say to the House we have been disappointed in accomplishing the construction of the work in the way it was then proposed. Hon. gentlemen opposite who succeeded us in power, recognized not only the great importance to the whole of Canada of carrying to completion the building of the great Pacific Railway, but also that in the position they then occupied, good faith with that Province involved the necessity of carrying it forward by another measure, having that object in view. * * * (Page 1888.) Now, as I have said, it would be quite impossible for the Government, for a single moment, to hesitate as to what was their duty in regard to this question. First, there is still the importance of constructing this great work, admitted by all political parties; second, there is the fact of the good faith of the country being pledged to the Province of British Columbia to carry as rapidly as possible the railway to completion; * and, third, the large expenditure already involved to carry it out. Under these circumstances, Sir, the Government were obliged to address themselves to the important question of how this object could be attained, good faith with British Columbia maintained, the construction of the Canadian Pacific Railway accomplished, and, at the same time, measures adopted that would prevent the financial condition of this country

being seriously embarrassed or imperilled. * * * I know from the voice I hear behind me that their efforts have not been sufficient to satisfy British Columbia. I am aware that a great deal of uneasiness and apprehension has been excited in that Province, not only with reference to the action of the late Government, but with reference to the probable action of this Government. But I do trust that our friends in British Columbia will feel that they must not look at this question from the favorable point of view from which we were able to look at it several years ago when it was first introduced; but that they must look at it surrounded with the difficulties that have since presented themselves in carrying it out. They must remember the fact that in relation to railway enterprise on this continent a great change of opinion has taken place among British capitalists and among the capitalists of the world; that it was much easier a few years ago to bring foreign capital into this country to promote a work of this kind than it is to-day. They must recognize the fact, that in the changed financial position of Canada, we must all bow to the inevitable in relation to a question of such magnitude as this, and provided they find the Government of the day earnestly making efforts to accomplish that work, they must be satisfied, although those efforts should not be commensurate with their reasonable expectations a few years ago. I have no hesitation in saying that the work I have referred to, as involving an expenditure of over \$28,000,000 of public money, has largely contributed to remove the difficulties and promote the progress of the entire undertaking. I believe, that as we originally looked to the development of the great North-West as the only basis upon which any Government or company could undertake the construction of the Canadian Pacific Railway, so we cannot but regard the expenditure of \$18,000,000 of public money in permeating that difficult, almost inaccessible, district of country between Lake Superior and the Red River, as money expended in a way that is most likely to so develop, so improve, and so people the great fer-

British Colum-
bia not satisfied.

Road?

* Tupper, speaking as Minister of Railways, talks of good faith. Why was not E. & N. Railway included in Syndicate contract?

Fallacious
statement.

tile country of the North-West as to give us a substantial basis upon which we may hope to succeed in permeating the still more difficult and extensive region from the Rocky Mountains down to the shores of the Pacific. And, although this expenditure of public money has not been made within the Province of British Columbia, I am free to say that that expenditure, in my judgment, has been made in a way much better calculated to secure the actual realization of this work than if every dollar had been expended in British Columbia, commencing at the shores of the Pacific, because no expenditure in British Columbia could materially contribute to the opening up of that great North-West region upon the development and upon the peopling of which must necessarily depend the successful prosecution of that gigantic undertaking the Canadian Pacific Railway. * * * (Page 1895.) I beg leave to submit the following Resolutions:—

1. *Resolved*, That engagements have been entered into with British Columbia as a condition of Union with Canada, that a line of railway to connect the Atlantic with the Pacific shall be constructed with all practical speed.

6. *Resolved*, That in view of the importance of keeping good faith with British Columbia, and completing the consolidation of the Confederation of the Provinces in British North America, and for the purpose of extending relief to the unemployed working classes of Great Britain, and affording them permanent homes on British soil; and in view of the national character of the undertaking, the Government of Canada is authorized and directed to use its best efforts to secure the co-operation of the Imperial Government in this great undertaking, and obtain further aid by guarantee or otherwise, in the construction of this great national work.

13. *Resolved*, That it is necessary to keep good faith with British Columbia, and commence the construction of the railway in that Province as early as is practicable.

MR. MACKENZIE. * * * (Page 1897.) He admitted the extreme difficulties which were placed in the path of that Administration, by the action of the hon. gentleman and his colleagues, prior to our advent to office, and that the engagement made with British Columbia to construct a road from Lake Nipissing, in Ontario, to some point on the Pacific coast, within ten years, was an engagement impos-

MR. TUPPER.

sible of fulfillment. When we came into office, we found that Parliament was solemnly committed almost to a treaty obligation with that Province, to accomplish this stupendous work. He repeatedly pointed out to the House, and he said it again now, that in no country in the world had such formidable difficulties been experienced in making a survey as what was presented on the Canadian Pacific Railway. Yet we were attacked, year after year by the hon. gentleman and his friends for not having kept faith with British Columbia. Now we are called upon by hon. gentlemen opposite to help them in their difficulties. They will always find that gentlemen on this side will be prepared to consider all such questions from a truly national point of view. We recognize the obligations resting upon us as Canadians, and while I assert, in the most positive manner, that nothing could have been done by any Administration during our term of office that we did not do, or try to do, in order to accomplish, or realize those expectations which were generated by the Government of hon. gentlemen opposite, in their admission of British Columbia into the Confederacy, I say, at the same time, that we endeavored, not merely to keep the national obligations, but we ventured, to a great extent, our own political existence as administrators; we risked our political position for the sake of carrying out to completion, in the best way possible, the course which hon. gentlemen opposite had promised should be taken. We knew that, no matter what course we took, we would be subject to blame either from hon. gentlemen opposite, or from our own friends. We had, on the one hand, to maintain that which was equivalent almost to a treaty obligation with British Columbia, whose population only reached a few thousands.† * * * (Page 1901.) We are told gravely, in one of the resolutions, that we are to be asked to vote—what? “That in the opinion of this House the selection of the Burrard Inlet terminus was premature.” Well, what does premature mean? That it was selected too soon—is that it? Very well, then, Sir, what will be said when it is known that the member for Victoria, the Premier, and his Admin-

No.

* Why not keep it?

† Small population of B. C. is a fallacious argument. See her contribution to Consol Fund, page 144.

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istration selected a route by Bute Inlet to Esquimalt, five years before that. It was premature; that is, it seems, after we had completed the surveys on all the known possible lines, that only then did we announce our final determination. But the hon. gentlemen opposite, before there was an inch of country surveyed, committed themselves to the selection of the Bute Inlet and Esquimalt route. * * * (Page 1904.) The distances are much less; the distance across from Nanaimo to Burrard Inlet is not over 25 miles—this distance I have had measured by careful parties—while the distance from Waddington Harbor to Otter Cove is 66 miles. * * *

SIR JOHN A. MACDONALD. * * * (Page 1909.) Now, we arouse the indignation of the hon. gentleman by introducing a resolution by which we say that, in order to keep faith with British Columbia, we shall, during the season, commence 125 miles of the road, building from the west to the east. * * * (Page 1910.) It will be better to look back to the record, that there may be no mistake. On the 28th May, 1872, we found that Mr. Langevin, who was then the Minister of Public Works, was pressing upon Parliament the construction of the Pacific Railway, laying down our policy, and Mr. DeCosmos said: "The explanation was quite satisfactory in one respect, but he wanted to know whether, in case the railway should be constructed to Burrard Inlet, the Government was prepared to construct a branch line from Victoria to Nanaimo, and in case they reached the straits, whether they would cause a line to be constructed along the east coast." Mr. Langevin, in reply, said that the intention of the Government was to go to Esquimalt, and, if that was impracticable, and the road went to Burrard Inlet, a ferry would be established to connect it with Esquimalt. There was no uncertain sound on our part as to the choice of Esquimalt, but, when we were asked: Will you have the terminus at Bute Inlet or Burrard Inlet? we said, Whether we choose Burrard or any other terminus, we will still have the ferry to Esquimalt as the Pacific harbor of British Columbia. * * *

Monday, 12th May, 1878.

MR. TUPPER said * * * (Page 1957): How, then, could those hon. gentlemen raise the question of responsibility attaching to them, to say that they were not prepared to endorse the onerous obligations proposed in the resolutions? They were proposing no onerous obligations, but a means by which the obligations first assumed by themselves, and subsequently adopted with a much greater degree of force by the hon. gentleman opposite, should be rendered lighter, and the means provided at the same time to keep faith with British Columbia and with the Imperial Government, who also were made parties to this compact by the hon. gentlemen opposite, and at the same time do it without imposing any such financial disasters on the country as must ensue, unless means something like these were provided for utilizing the magnificent territory that was to be opened up, and making it bear the expenditure that would otherwise be borne by the people of the older Provinces.

MR. MACKENZIE (Page 1970) said it conveyed it only to some extent. He, therefore, moved in amendment:

That the said resolution be not now considered in, but that it be referred back to a Committee of the Whole, with instructions that they have power to amend the same, by inserting the following words after the word "That," in the said resolution:—"The Government of the Dominion undertook to secure the commencement simultaneously within two years from the date of the said Union, of the construction of a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected east of the Rocky Mountains towards the Pacific, to connect the seaboard of British Columbia with the railway system of Canada; and, further, to secure the completion of such railway within ten years from the date of the Union; that the Canadian Pacific Railway Act, 1872, provided—that the public aid to be given to secure that undertaking should consist of such liberal grants of land, and such subsidy in money or other aid not increasing the (then) existing rate of taxation as the Government of Canada should thereafter determine; that the Canadian Pacific Railway Act, 1874, provided that 'it is proper to make provision for the construction of said work as rapidly as the same can be accomplished without further raising the rate of taxation; that, during the Session of 1876, the following words were added to a resolution appropriating money for the Canadian Pacific Railway, viz.:—'While granting this sum, this House desires to record

See Tilley's
Speech, p. 113.

Repudiation.

* Ferry, Burrard to Nanaimo 25 miles.

† Not commenced till April, 1880.

‡ What Mr. DeCosmos asked was whether the line on V. I. would be an integral portion of C. P. R. main trunk line, and the answer was "Yes."

§ Ferry to Nanaimo and Line to Esquimalt, see page 45—2.

its view that the arrangements for the construction of the Canadian Pacific Railway should be such as the resources of the country will permit, without increasing the existing rates of taxation; that the circumstances of the country are not now such as would justify a departure from the ground taken in the said Acts and resolution, and that the construction of the railway should only be proceeded with at such a rate as will not necessitate increasing the rate of taxation beyond that existing at the date of the above recited resolution in the Session of 1876."

SIR JOHN A. MACDONALD said * * * (Page 1974): On the 1st of July, 1877, the Government of that day pronounced that the Pacific Railway terminus must be at Bute Inlet or Dean Channel. On the 23rd of May, previously, an Order in Council was passed, stating that an Order in Council of the 7th June, 1873, fixing Esquimalt as the terminus of the Canadian Pacific Railway, and appropriating a strip of land twenty miles in width, was revoked. There had been one Order in Council that Esquimalt should be the terminus, but, by a subsequent Order in Council, the terminus was to be at Bute Inlet or Dean Channel. They deliberately gave up twenty miles in width of the finest mineral lands on the Pacific coast, by this Order in Council on the 23rd May; and yet, on the 29th May, without an Order in Council, without any authority, they found a letter written by the Secretary of the Department of Public Works, using these words:

"I am further directed to state that Burrard Inlet will, in all probability, be adopted as the western terminus of the Canadian Pacific Railway."

It was not until the 13th July that the Government finally made up their minds that the Burrard Inlet route should be adopted. The Minister of Public Works, had, without the authority of his Government, ordered his officer to rescind and to give up all the land on Vancouver Island. Yet only a year before the Order in Council of the 13th July, 1878, an Order in Council defined the route to be followed in British Columbia in the event of Bute Inlet or Dean Channel being ultimately adopted. * * *

MR. TUPPER said * * * (Page 1975): The hon. gentleman asked the House to-night to vote for a resolution, which, the moment it was passed, would cancel every contract now

MR. MACKENZIE.

entered into, and stop the expenditure of \$25,000,000. It would also prevent the expenditure of one dollar of public money on the Canadian Pacific Railway, if such expenditure would increase the taxation. Yet the first act of the hon. gentleman, when he got into office, was to ask the House to vote \$3,000,000 additional taxation, and his colleague, Mr. Blake, had declared that it was intended to secure the construction of the Pacific Railway. His first act was to violate the decision of Parliament, by taxing the people of this country, according to the statement of Mr. Blake, to the extent of \$3,000,000 for the construction of the Pacific Railway. * * * Not a blow had been struck on the 1,500 miles of railway required between Selkirk and the Pacific coast, yet a solemn binding engagement had been entered into between the hon. gentleman, British Columbia and the Imperial Government, that, before 1890, 1,500 miles should be completed, no matter whether additional taxation would be required or not. He had also entered into engagements which involved the expenditure of \$25,000,000, and now he stultified himself by asking the House to cancel all these engagements.

MR. MACKENZIE said * * * (Page 1976): As to the solemn binding engagement of the Carnarvon Terms, from his recollection of the despatch of 17th September, 1874, agreeing to the terms proposed by Lord Carnarvon, he was of opinion that such action as that by the late Government could be taken without any violation of any enactment or parliamentary resolution. In another despatch, in 1876, it was stated that that engagement was predicated upon, and subject to the conditions embodied in the law.

MR. TUPPER. It is not in the terms.

MR. MACKENZIE said there were no terms signed by two parties as in a contract; there was simply the Minutes of Council. The Minister of Public Works complained that the late Government had not carried out the Terms of Union which said that the railway should be built as a condition of Union upon certain terms therein mentioned. The Government which preceded his

† Nothing done between Selkirk and Pacific, 1,500 miles, up to May, 1879: strange mode of keeping faith.

Reserve on V. I. finest mineral lands on Coast.

Sir John did same thing with Syndicate

Burrard route adopted.

* B. C. has not been so informed: for Trutch, in 1880, asked for land on V. I. near etc.

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had already violated the terms as to the accomplishment of certain work on the Pacific Railway; when his Government took office, two years had passed without work being done. He had always understood that the execution of the terms made with Lord Carnarvon was subject to Canada's ability to proceed with the work, subject to the Act they passed themselves, without any amendment having been proposed by the hon. gentlemen opposite, or any serious opposition to it from them.

SIR JOHN A. MACDONALD. Was not the Carnarvon arrangement between Canada and British Columbia and the British Government, just as binding and conclusive as to the road being finished in 1890, as the original engagement?

MR. MACKENZIE. It was qualified by the terms of our Act.

MR. TUPPER said that on or before the 1st September, 1890, the railway was to be completed and opened for traffic, and so forth. Those were the terms, and the hon. member for Lambton had told the House, having, in the recess of Parliament, made a compact with the British Government and British Columbia that, by 1890, 2,000 miles of railway should be completed, in answer to Mr. Blake's question as to what authority the hon. gentleman proposed to take from Parliament to sanction that enormous engagement, that, instead of \$1,500,000 the Government proposed to spend \$2,000,000 a year within British Columbia, and finish the railway connections within that Province, and downward to the point indicated, before 1890; and that they had nothing to ask from Parliament. So he had power to make a solemn binding engagement, regardless altogether of the financial condition of the country, and complete those 2,000 miles in eleven years. The terms were sealed, and all Parliament had to do was to vote him the money; and yet they had these captious objections made to a proposition that involved no expenditure, no additional burden, which they believed was calculated to relieve the country from the enormous obligations already contracted.

MR. MACKENZIE said he wished to say, in answer to a remark about an

Order in Council of the late Government, rescinding or giving up lands on Vancouver Island, that that did not affect the Pacific road, but only the railway from Nanaimo to Esquimalt. It was agreed they should give that quantity of land if they built the road, and when they found themselves unable to proceed with it, they gave up the land as a matter of course.*

SIR JOHN A. MACDONALD said there was no record of any promise by the Government of British Columbia to give that land.

MR. MACKENZIE. Yes.

SIR JOHN A. MACDONALD. The hon. gentleman will not find on record that a single acre was to be given except as a portion of the road.

Land on V. I.
only granted
for E. and N.
Sec. of C.P.R.

MR. MILLS said that, with regard to the Carnarvon Terms, it was declared and formally agreed that their execution was not to be inconsistent with the law. The Act of 1874 was still upon the Statute-book, and the Government of the day had no authority to set it at defiance, or declare that the rate of taxation should be inconsistent with it. When the hon. member for Lambton invited him (Mr. Mills) to join his Administration, he spoke to him on the subject, reminding him that the rate of taxation was not to be increased under the Act of 1874, in constructing the railway, when the hon. gentleman assured him that the Carnarvon Terms were to be construed as he (Mr. Mills) understood them—that they were intended to be so understood in dealing with the Colonial Secretary.

SIR JOHN A. MACDONALD said, that that might have been the understanding of the late Government, but the resolutions were absolute in their terms—the promise to finish the railway by 1890 was absolute; and they could only judge, and British Columbia would hold England and Canada to the promise, not only implied but expressed, that in 1890 it should be built.

B. C. will hold
England and
Canada to the
promise implied
and expressed.

MR. CARTWRIGHT said he distinctly contradicted the argument of the First Minister from the Carnarvon Terms. British Columbia was bound to take cognisance of the Act of 1874, and so was the British Secretary of State, and

No.

* Not so—O. C., May, 1878—over three years after E. & N. Bill. The B. C. Act, 1875, binding. Further Mr. Mackenzie refused to build E. & N. without land. See E. & N. Bill, Section 10, and O. C., March 25, 1875.

Nonsense.

their never having asked for its repeal, showed they knew they were to be bound by it, and they had a right to hold that there was an understanding that there was no intention to vary the Act of 1874. If they had expected it to be varied, it was their duty to insist on its repeal. An Act of the Parliament of the Dominion affected every part, and British Columbia was a part, and neither Lord Carnarvon nor anybody else could expect that they were going to look beyond that.

Carnarvon terms a positive engagement, independent of previous legislation.

SIR JOHN A. MACDONALD. The hon. gentleman says that, although the Carnarvon Terms are specific and peremptory in language, although there is a positive engagement to finish the road in 1890, yet both England and British Columbia are bound to take notice of the previous legislation.

MR. CARTWRIGHT. I do say so.

SIR JOHN A. MACDONALD. What has been the stock-in-trade of the Opposition, with regard to the original terms with British Columbia? When we agreed to commence the road in two and finish it in ten years, there was a cry made throughout the country that this was a foolish and absurd bargain, but an obligation that must be carried out, when, in the same Session, there was passed a resolution, with the consent of the British Columbia delegates, and the whole continent, that there should be no increased taxation, and that the road should only be built by private enterprise. It has been cried through the country, and even in the present debate, that we made a foolish binding obligation that could not be got rid of, and yet the British Columbia delegates were here and agreed to it as did England also, but still, according to hon. gentlemen opposite, we were bound to finish the railway in ten years; and, though they made an equally binding obligation to finish the road in 1890, there was no meaning in that; it must be read through the spectacles of hon. gentlemen opposite, that all these engagements are not to increase the obligations of the country. The Finance Minister of the late Government acknowledged that they construed the Carnarvon Terms simply by

MR. CARTWRIGHT.

the light of the surrounding circumstances, while their predecessors made an improvident irreversible bargain. The Government preceding the last made no agreement as they did—agreed to finish the road in ten years, they agreeing to finish it in 1890. The member for Centre Huron (Mr. Cartwright), says this must be read in connection with all the surrounding circumstances; the present Government say that British Columbia agreed there should be no increase of taxation, and that the road should be commenced and finished with the assistance of private enterprise, and not by the Government.

MR. CARTWRIGHT. I objected most decidedly to the hon. gentleman's terms, because he put them without any qualification or modification whatever in an Imperial Act, or in resolutions which were to have the force of one, and, because he deliberately voted down, by his then majority, a proposition of myself and Sir A. T. Galt, to introduce modifying terms. Had he not done that, his case would, to some extent, have been parallel to ours. What I always accused hon. gentlemen opposite of, was their deliberate and repeated ignoring of every proposition to limit the liability of Canada. We do not act in that way.

MR. TUPPER said, as to the observation of the hon. gentleman, that the Governments of England and British Columbia were bound to take notice of the Act of 1874, limiting the financial obligations of Canada in regard to the construction of the railway by 1890, he wanted to ask this question: If that were true, if that Act left no room for doubt, why was it that, when he (Mr. Tupper) called the attention of the House to the fact that the late Government had entered into that obligation, regardless of any qualification, their colleague (Mr. Blake) drafted a resolution to reaffirm the proposition that it should be subject to the financial condition of the country, and put it in the hands of the member for West Middlesex to move?

* * * * *
Amendment (Mr. Mackenzie) negatived. Yeas, 37; nays, 115.

* Wholly incorrect.

* Sir John says Carnarvon terms are equally binding with terms of 1871.

† B. C. never did agree to any such silly thing.
** What necessity for resolution.

EXTRACTS from the "Debates of the House of Commons of the Dominion of Canada, 2nd Session, 4th Parliament, 1880," on the Pacific Railway.

HOUSE OF COMMONS.

Thursday, 15th April, 1880.

The Speaker took the Chair at Three o'clock.

SUPPLY — CANADIAN PACIFIC RAILWAY.

Order for the Speaker to leave the Chair for the House to go again into Committee of Supply, read.

SIR CHARLES TUPPER * * * *
(Page 1400.) The House will remember that when this Government was in power, in 1871, and British Columbia was brought into Confederation, it was decided that we should grapple with the great question of the construction of the Canadian Pacific Railway, by which all the various Provinces would be brought into more rapid and easy communication. When in a position to submit a formal proposition to the House, in 1872, by which it was hoped to accomplish the construction of that work, the Government submitted a proposal to grant \$30,000,000 and 50,000,000 acres of land in order to cover the expenditure connected with it. At the time that policy was resolved upon, a Resolution, in order to meet the apprehension which existed in and out of the House, as to the very serious responsibility the Government was about to incur, was proposed and carried, and it became substantially a part of the Terms of Union with British Columbia, that that work should be constructed, not by the Government, but by private enterprise, aided by a grant of lands and money to that extent. But even that was limited by the declaration placed before the House, that the progress of that work should not involve an increase in the then rate of taxation.

MR. BLAKE. Hear, hear.

SIR CHARLES TUPPER. Now, I am a little surprised to find the hon. member for West Durham (Mr. Blake) taking exception to the statement I

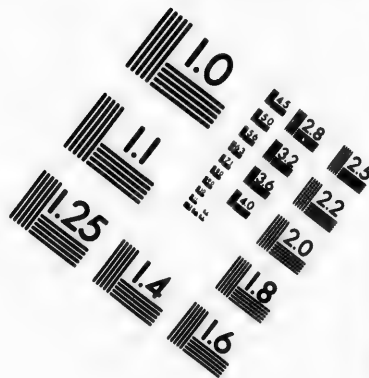
have made, that it formed a part of the Terms of Union with British Columbia, because the Government of which that hon. gentleman was a member, at a later date, found it convenient to fall back upon that Resolution, and embodied it in a Minute of Council which they offered to British Columbia, and to the Imperial Government as well, as a reason for qualifying the engagement that was entered into. I am safe, I think, in saying that there is no man in this House, there is no intelligent man in this country, that would not heartily concur in the accuracy of the statement, that it would be greatly in the interest of Canada if it had been possible to accomplish the construction of that work upon those terms. * *

(Page 1403.) When I have the pleasure to look in the face at this moment of the hon. gentleman, and hold this friendly discussion on so very important a question, I am reminded that when he was before in Opposition, and when we then proposed a scheme for constructing the Pacific Railway, which we felt quite possible, and which we knew to be in the interest of the country to complete as quickly as possible, he and his colleagues decried that proposal or the advisability of going on with the work, but when brought into power, upon this side of the House they did not shrink back; they found that the dismal vista that they had seen before had vanished; and the hon. gentleman went to the extent of adding \$4,000,000 to the amount we proposed for the construction of the Pacific Railway at the eastern end of the line. But what did he do on the other end of the line? He went into a deliberate negotiation with British Columbia and the Imperial Government, and for fear that the hon. gentleman may forget these little inconsistencies, I will ask the indulgence of the House while I refer to one of the most important State papers, one of the most important documents that forms a portion of the Archives of Canada—I mean the Treaty made

Oh!

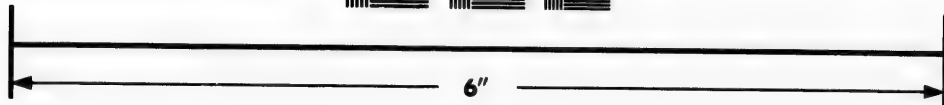
Blake used it too.

Carnarvon terms.



Resolution Test Chart Labels:

- 1.0
- 1.1
- 1.25
- 1.4
- 1.6
- 1.8
- 2.0
- 2.2
- 2.5
- 2.8
- 3.2
- 3.6
- 4.0



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1.5 1.8 2.0 2.2 2.5 2.8 3.2 3.6 4.0

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between the Government of Canada and British Columbia, and the Imperial Government. Although I would like to condense the passage I am going to read, I am afraid I shall have to read it at length. What I am going to read now will be found at page 511, of the *Hansard* of 1875. On that page will be found a *verbatim* statement of the Treaty, showing the obligations imposed by the then First Minister now sitting on the other side of the House. Lord Carnarvon said:

Carnarvon terms in detail, and complete in 1875.

"Adhering then to the same order in which, on the 16th August, I stated the principle points on which it appeared to me that a better understanding should be defined, I now proceed to announce the conclusions at which I have arrived. They are:

"1. That the railway from Esquimalt to Nanaimo shall be commenced as soon as possible, and completed with all practicable despatch.

"2. That the surveys on the mainland shall be pushed on with the utmost vigour. On this point, after considering the representations of your Ministers, I feel that I have no alternative but to rely, as I do most fully and readily, upon their assurances that no legitimate effort or expense will be spared, first to determine the best route for the line, and secondly to proceed with the details of the engineering work. It would be distasteful to me, if indeed it were not impossible to prescribe strictly any minimum of time or expenditure with regard to work of so uncertain a nature; but, happily, it is equally impossible for me to doubt that your Government will loyally do its best in every way to accelerate the completion of a duty left freely to its sense of honor and justice.

Not commenced yet.

"3. That the waggon road and telegraph line shall be immediately constructed. There seems here to be some difference of opinion as to the special value to the Province of the undertaking to complete these two works; but, after considering what has been said, I am of opinion that they should both be proceeded with at once, as indeed is suggested by your Ministers.

1877—8.

"4. That \$2,000,000 a year, and not \$1,500,000, shall be the minimum expenditure on railway works within the Province from the date at which the surveys are sufficiently completed to enable that amount to be expended on construction. In naming this amount I understand that, it being alike the interest and the wish of the Dominion Government to urge on with all speed the completion of the works now to be undertaken, the annual expenditure will be as much in excess of the minimum of \$2,000,000 as in any year may be found practicable.

Not commenced on seaboard yet in B. C.

"5. Lastly, that on or before the 31st of December, 1890, the railway shall be completed and open for traffic on the Pacific seaboard to a point at the western end of Lake Superior at which it will fall into connection with existing lines of railway through a portion of the United States, and also with the navigation on Canadian waters."

This is Lord Carnarvon's decision or the conclusions at which he had arrived
SIR CHARLES TUPPER.

as a mediator between British Columbia and the First Minister of that day. It will be seen that the late Government here pledged themselves to build the line from Esquimalt to Nanaimo without delay. What did that mean in the first place? I am quite certain that my hon. predecessor will not question the calculation I have made when I say that, at the very lowest estimate, it would cost \$4,000,000. It is simply adding \$4,000,000 upon the western end of the Canadian Pacific Railway, to the \$4,000,000 he had already added to the eastern end. But that is by far the least grave portion of this matter. * * * (Page 1404.) The hon. member for West Durham put a question on the Notice Paper on this subject, and what was the answer of the hon. First Minister of that day? Feeling strong in the integrity of his position and in the consciousness that he was grappling with the construction of a great national work, he said:

"With respect to the question raised by my hon. friend, the member for South Bruce, I may say I have nothing to ask from Parliament. We have no authority to obtain, but have merely to communicate this decision and rest upon the House supporting us in accepting the terms that have been made through the intervention or mediation of Lord Carnarvon, and that support I do not doubt will be cheerfully accorded."

* * * (Page 1405.) The hon. member for West Durham was the hon. prepared to go on as far as this proposition of the late Government. It is but just to him to say that he gave expression to his dissent in perhaps the most marked manner that an independent member could do so, when he refused his vote for the construction of the Esquimalt and Nanaimo Railway. But though the faith and honor of the Government and country had been irrevocably pledged to this undertaking, when it was removed out of the way by the other branch of Parliament, the hon. gentleman himself assumed the responsibility of every word and act of that Government, by accepting a place in it. He did more. He not only entered the Cabinet, committed and bound as it was to this policy, beyond recall, and without qualification as to the resources of the country, without raising the question as to whether the railway should be completed by 1890, from

end to end, thus given practical evidence of his being in accord with its views, but showed he was prepared to take out of the coffers of Canada \$750,000 to compensate British Columbia for having generously relinquished the immediate expenditure of the \$1,000,000 on the Nanaimo and Esquimalt Railway. Under those circumstances, the last source from which this Government might have anticipated obstruction was from hon. gentlemen opposite in adopting the present policy. * * * (Page 1407.) He adopted a different course; he not only provided for the construction of the work directly by the Government, but he entered into a binding treaty and obligation with Lord Carnarvon, on behalf of the Imperial Government and British Columbia, that this work should be completed by 1890, from the shores of Lake Superior to the Pacific Ocean. That was the legacy we inherited from the hon. gentleman; and carrying out the pledge he had made to Lord Carnarvon, he caused these further surveys to be made with a view to the location of the line, and having satisfied himself that the best line that could be adopted was the line to Burrard Inlet, the hon. gentleman proceeded to put an advertisement in the papers calling for tenders for the construction of 125 miles from Kamloops to Yale. I heard with amazement, the other night, a statement from the hon. gentleman that he had not decided to do that work, that he had not fully made up his mind to do it. I am perfectly aware that it is legitimate for a Government going to the country, under the great discouragement which the hon. gentleman was compelled to go to the country—I am quite aware that it is legitimate for them to present a programme as attractive as they can for the consideration of the country; but I am astonished that the hon. the then First Minister of the Crown should deliberately, in his own Department, call for tenders involving the expenditure of large sums of money by intending contractors, for the construction of 125 miles of railway through the

canyons of the Fraser, a most difficult and inaccessible locality, and afterwards state to this House that he did it deliberately, on the eve of an election, without the intention of carrying it on to completion. The hon. gentleman stated that he was upholding the honor and integrity of Canada that this work should be carried on to completion as vigorously as possible, and that he had pledged himself to Lord Carnarvon that the surveys should be prosecuted as rapidly as possible, and that as soon as they were completed, the road should be located, and not less than \$2,000,000 per annum should be expended. With that pledge he asks for tenders for 125 miles of railway. That was the hon. gentleman's obligation, from which there was no escape; and there was the additional pledge to British Columbia that that work was to be immediately undertaken. I ask the hon. gentleman to tell this House, if he had not finally made up his mind to proceed with the construction of the railway from Yale to Kamloops, why he made the contract, involving a payment of \$32,400 to a contractor to carry rails from Victoria to Yale? Does the hon. gentleman mean to say that, not content with holding out to the people of British Columbia that he was going to build the railway, he was absolutely going to take out of the public coffers \$32,400 to remove those rails from Victoria to Yale, without having satisfied himself that he ever intended to strike a blow? That is a proposition, I am satisfied, the hon. gentleman, on reflection, will see is utterly untenable, and he will find himself in a position that no possible argument on his part could justify. * * *

Friday, 16th April, 1880.

MR. BLAKE * * * (Page 1427.)
The Speech from the Throne delivered in 1873, contains these words:

"The Canadian Pacific Company, to whom a Royal Charter was granted, have, I regret to say, been unable to make the financial arrangements necessary for the construction of that great undertaking. They have, therefore, executed a surrender of their charter, which has been accepted by me. You will, I trust, feel yourselves called upon to take steps to secure the early commencement and vigorous prosecution of that railway, and thus to carry

Pledge to build
E. and N. Ry.

Questionable
policy of
Mackenzie.

October.

* Mr. Mackenzie.

out in good faith the arrangements made with the Province of British Columbia. A measure for that purpose will be submitted for your consideration."

* * * (Page 1428.) He* furthermore declared that application would be made to British Columbia for a relaxation of the terms which hon. gentlemen opposite had imposed upon the country; and for such an arrangement as would give a reasonable time for the commencement and performance of the work without too great a strain on our resources. The present First Minister denounced this as a breach of faith with British Columbia, entitling her to secede. So different were his views from those now advanced by the hon. Minister of Railways. * * * At any rate it was unnecessary to reiterate that. My belief is that it would have been contrary to the policy which the present First Minister believed to be sound when he announced his views in Lennox in 1873. I maintain that, by that Act, which repeated and re-enacted the old resolutions, and declared it was proper to proceed only consistently with the provision against increased taxation, there was a reiteration of the old parliamentary policy, then reaffirmed for the third time, that the road was not to be constructed on any plan which would cause increased taxation. I well remember that the hon. member for Victoria, B.C. (Mr. De-Cosmos) objected to the introduction of that provision into that Act, because he conceived it would be in derogation of the bond, the fulfillment of which he so much desired. In 1875, during the recess, British Columbia having appealed to England, Lord Carnarvon offered his good offices, and he suggested certain terms, to which, as far as they could, the Government agreed; the statement of the Government being that they would do their best to carry them out, as they were not contrary to the spirit of any parliamentary resolution, or the letter of any enactment. * * * (Page 1429.) The Minister says that under the Carnarvon Terms there was an agreement to build the Island Railway, by which \$4,000,000 were added to the cost of the whole; but he seems to have forgotten that his own Government in 1873 had come to

* Mr. Mackenzie.

MR. BLAKE.

the determination that the terminus of the railway should be at Esquimalt, and this determination, if adhered to, necessarily involved the construction of the Island Railway, and indeed of other far more extensive and costly works. I had taken occasion in the fall of 1874 to declare my individual views on the subject of the Pacific Railway. I then stated that I thought the fulfillment of the agreement with British Columbia impossible; that unless she chose to be reasonable and to agree to a relaxation of the terms, I saw no hope of performing them; and that, if she insisted on secession, as the consequence of the non-fulfillment of the Terms of Union, I, for one, was prepared to say, "let her go," rather than ruin the country in the attempt to perform the impossible. I have never changed in that opinion, and each succeeding year has strengthened my view as to the wisdom and soundness of such a decision. During the Session of 1875, when the Carnarvon correspondence was brought down, I did, as the hon. gentleman says, ask the leader of the then Government whether he proposed to invite the sanction of Parliament to the arrangement. He replied that he did not propose to invite the action of Parliament directly, but that he would rely on Parliament to enable him to carry it out. Well, that answer of itself indicated that the assent of Parliament was essential. Will anyone seriously contend that the Executive Government of this country could, not merely without the authority of Parliament, but in spite of the anti-taxation resolution, make an agreement which would of itself bind the country to build the Island Railway, to expend not less than \$2,000,000 a year on construction in the mainland, and to finish the road by 1890? It was, however, soon made apparent that the action of Parliament was necessary in order to carry out the Carnarvon Terms. A Bill was of necessity brought in to authorize the construction of the Island Railway, one of the most important parts of those terms. I opposed that Bill because I believed that the Island Railway was not a judicious undertaking, and also, and chiefly because it was part of the Carnar-

B. C. secession
see next
column.

Objection
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von Terms, which I did not believe were such as could be fully carried out consistently with the taxation resolution, to which I for one was determined to adhere. The Bill succeeded in this House but it failed in the Senate, and the result was that the sanction of Parliament was refused that essential part of the Carnarvon Terms. At the close of that Session then the whole question was open. The arrangement had failed. Parliament had declined to authorize an essential part of the terms; fulfillment of the terms had thus become impossible, and it became necessary to reconsider the whole matter. I believe that every one to-day concurs in this result; at any rate I do not observe that the Government now proposes to build the Island Railway. Shortly after the close of the Session I entered the Administration upon a distinct understanding in reference to the Pacific Railway. That understanding was that the Carnarvon Terms having failed by reason of the action of Parliament, a moderate money compensation should be offered to the Province for past and future delays in the construction of the Pacific Railway; that it was always the understanding of the Government and that it should be distinctly stated, that any pledge for fixed expenditure, or for a time limit, was subject to the taxation resolution, in such sort that the work should not be necessarily proceeded with in case it would involve an increase of taxation; and, that any arrangement made with the Province should be expressly, as it must in fact be, subject to the sanction of this Parliament. This understanding was carried out by the Minute of Council of September, 1875. By that Minute, referring to the former negotiations, the Government declared as follows:—

"It must be distinctly borne in mind that, every step in the negotiations was necessarily predicated on and subject to the conditions of the resolution of 1871, passed contemporaneously with the adoption of the Terms of Union with British Columbia, subsequently enacted in the Act of 1872, and re-enacted (after a large addition had been made to the rate of taxation) in the Act of 1874 that the public aid should consist of such subsidy in money, not increasing the then existing rate of taxation, as Parliament should determine. This determination not to involve the country in a hopeless burden of debt is sustained by public opinion every-where throughout the Dominion, and must

necessarily control the action of the Government, and it cannot be too clearly understood that any agreements as to yearly expenditure, and as to completion by a fixed time, must be subject to the condition, thrice recorded in the Journals of Parliament, that no further increase in the rate of taxation shall be required in order to their fulfillment. The sanction of Parliament to the construction of the proposed railway from Esquimalt to Nanaimo was necessarily a condition precedent to the commencement of the work. The other important feature of the arrangement, namely, the limitation of the time for the completion of a certain portion, and the specification of a yearly expenditure, were deemed to be within the meaning of the Act of 1874, subject, of course, to the condition already mentioned, which was referred to in the Minute of December, 1874, when the Government expressed 'a willingness to make these further concessions' * * * as the concessions suggested might be made without involving the violation of the spirit of any Parliamentary resolution, or the letter of any enactment."

The Government added a proposal of \$750,000 as compensation for delays. British Columbia rejected the proposal, and insisted on the fulfillment of the Carnarvon Terms; she urged that the increase of taxation which had taken place in 1874, and the Railway Act of that year involved an abandonment of the resolution of 1871, by which she contended that she was never bound. On the 13th March, 1876, the Government rejoined by a Minute in which they showed that the resolution of 1871 was not abandoned, but was re-enacted; in which they admitted that it was not part of the Terms of Union in form, as they would have desired, but argued that it could not be wholly left out of account. The Minute added that "the people of Canada would not consent to enter unconditionally into arrangements which though less onerous than the Terms of Union would yet involve such a burden as might, but for the condition, plunge the country into ruin." The Government made no further proposal, but ended the negotiations by stating that, British Columbia having refused their offer of 1875, "it remains only to endeavor to construct the railway as rapidly as the resources of the country would permit." These Minutes were despatched to the Secretary of State for the Colonies and also to British Columbia. * * * (Page 1432.) The new Government having been formed in the meantime, the grand proposal of last Session was brought

Systematic evasion.

* B. C. made the concession, not Canada.

* Sir John Macdonald promised privately to build it.

forward. The hon. gentleman (Sir Charles Tupper) says, he is going to give us another batch of resolutions, and he read us some of these high-flown resolutions he brought down last Session. They indicate the character of the work in the view of the hon. gentleman, the relations of this country as well as the relations of the Empire to the work, and the mode in which alone it can be successfully prosecuted. The first declares that an engagement was entered into with British Columbia, but says nothing of any engagement with the Imperial Government or Lord Carnarvon, nor so much talked about, to construct the road. Not, however, by any specified time; on the contrary, I find the Government by this resolution declaring the contract to be, that the line should be constructed with all practicable speed. * * (Page 1460.) Now, Sir, assigning to each Province the revenue derived from it, as shown by the Public Accounts, and charging each Province with its local services, and with such parts of the Federal services as are by the Public Accounts distinguished and assigned to the separate Provinces, the results are as follows: We collected in all \$198,000,000; we spent in all \$189,350,000; leaving a surplus of \$8,650,000. The receipts from Manitoba were \$816,000, the distinguished expenditure, \$1,593,000; the deficit on this head, \$722,000. For Prince Edward Island the receipts were \$1,696,000; the expenditure, \$2,624,000; the deficit, \$1,027,000. For British Columbia the receipts were \$2,558,000; the expenditure, \$3,441,000; the deficit, \$383,000. For Nova Scotia the receipts were \$19,112,000; the expenditure, \$21,175,000; the deficit, \$2,060,000. Then there come the receipts and expenditure on joint account for services not divided among the Provinces, for example, Legislation, Civil Government, a large part of the interest on the Public Debt, and other undivided items, and all the expenditures in connection with the North-West and the Pacific Railway. For these the receipts were \$7,599,000; the expenditure, \$50,581,000; the deficit, \$42,982,000; adding to this the aggregate of the Provincial deficits before stated, you find a total deficit of \$47,677,000. Now, how was this met?

MR. BLAKE.

We come to the surpluses. The receipts from New Brunswick were \$17,106,000; the expenditure, \$16,957,000, leaving a surplus of \$508,000. The receipts from Ontario and Quebec, jointly, were \$149,160,000; the expenditure, \$93,340,000; leaving a surplus of \$55,820,000, thus making with the New Brunswick surplus, a total surplus for these three Provinces of Quebec, Ontario and New Brunswick, of \$56,328,000, to be applied to the payment of the deficits before enumerated, amounting in the aggregate to \$47,677,000, leaving after their payment, a net balance of \$3,650,000 applicable to the reduction of debt. We find, therefore, that Ontario and Quebec have to provide and have provided for the bulk of this vast undivided expenditure resulting from the Confederation of the various Provinces comprising the Dominion; New Brunswick having supplied towards her share the sum of \$508,000, and Ontario and Quebec, after providing their own share, having provided the share also of all the other Provinces of the otherwise unprovided balances. I have not divided the various items for Ontario and Quebec, which are given jointly in the Public Accounts; but taking a few great heads of revenue, a general conclusion may be reached. Thus the Excise duties of Ontario amounted to \$26,732,000; those of Quebec to \$13,647,600. The Custom duties for Ontario (allowing those on dutiable goods going into Ontario, though entered at Montreal, according to the results ascertained after exhaustive examination by the Commission which dealt with that subject some years ago), amounted to \$60,725,000. The Custom duties for Quebec amounted, according to the same results, to \$31,357,000. I estimate the division of Bill Stamps to be two-thirds for Ontario, and one-third for Quebec, making \$1,106,000 for the former, and \$552,000 for the latter. The general result on these heads is to give a revenue from Ontario of \$87,954,000, and from Quebec of \$45,556,000. I know that these figures may be disputed in some respects by the people of the Maritime Provinces as to particular items; for example, those which have reference to expenditure on the Intercolonial Railway. I know it is contended,

* If true, \$383,000 at 4 per Cent. is \$33,320 a year,—a mere bagatelle. See explanation, page 210 and 211, 208

whether rightly or wrongly, that this expenditure should be entered as a general charge against the whole Dominion, and not charged separately against those Provinces. There may be, of course, other disputable details. I state this in order that the House may understand that these figures may be somewhat affected, but I am convinced that the result will not be very materially altered on that account. * * *

MR. LANGEVIN * * * (Page 1474.) When the Government of 1873 left office, and the Administration of hon. gentlemen opposite came into power, they did not repudiate that condition of the Confederation or Union of British Columbia with Canada. They went to work to execute that great undertaking, and the only point of difference that we saw amongst the members of that Government and their supporters was that, when the question of the Esquimalt and Nanaimo Railway was proposed to the House, the hon. member for West Durham separating himself from his party, voted with a few friends against that measure, and the Government of that day were not powerful or willing enough to pass in the Upper House. If the Government had only expressed a desire that that Bill should pass, against which the hon. member for West Durham had voted, it would have become law. But there was a power behind the Throne—a power that may still exist to-day behind the leader of the Opposition. That power was stronger than that Government, and the measure for the construction of the railway from Esquimalt to Nanaimo was lost. Nevertheless, the Government of 1874 down to 1878, went on with the construction of that railway. * * * (Page 1475.) The member for West Durham should remember that he accepted the Carnarvon Terms exacted from the late Government. Of course the late Government inserted the condition about not raising further the rate of taxation, but that was after they had raised the taxation by \$3,000,000. But did they meet the ordinary expenses even with the \$3,000,000 additional taxation? No. All the time they were in office they ran into debt which we have now

to meet. The hon. gentleman says that those terms were not accepted by the Government without the consent of Parliament. No doubt, but they were accepted by the country. It was understood that \$2,000,000 would be expended per annum in British Columbia, but the hon. gentlemen opposite, following their ordinary course towards that Province, repudiated those terms, and sent a Commission to British Columbia; she would not accept \$750,000 in exchange for the original bargain. Up to that time he would not repudiate the railway altogether; but the Government offered that amount to content that Province for the postponement of the work, as says the hon. member for West Durham. But she was not poor or reduced enough to accept such a bribe, saying: "We have a treaty with Canada, which we know is just and proud enough to do justice to a small weak Province like British Columbia;" and she was right. She is not unreasonable; she has taken the word of this Government, that it will go on with the railway; and though the work was not begun before the first of January last, the Province knew it was not our fault, and that the contracts would be given out early. Now, if the people of British Columbia see the road does not progress at full speed, they will not complain, because they know we are acting in good faith, and that if we are not spending more millions and going on faster, it is because we cannot afford it. They know we are proceeding gradually and surely with the work. We do not want to plunge the country into debt and ruin as the hon. member for West Durham asserts; but we want to keep faith with British Columbia, though not at the immense expense he thinks we shall incur. * * * (Page 1478.) The Government is pledged to British Columbia, and we must keep faith with her. When I speak of the Government of course I speak of Parliament, because we, as a Government, are in the hands of Parliament, and Parliament, may, at any time it thinks proper, stop the work.

MR. MACKENZIE. Parliament is in your hands.

MR. LANGEVIN. The country will thank our party and this Government

for such a boon. * * * (Page 1479.) He* was opposed to the branch from Esquimalt to Nanaimo, and the hon. member for Lambton had not the courage to resist him, and he throw out the Bill. The hon. gentleman further says, that we are not bound by the Carnarvon Terms. I suppose the hon. member for Lambton had again to bow to his hon. friend, and say the Carnarvon Terms must go also. The next point is, the hon. member for West Durham said, or wished the country to believe, that there was some pledge on the part of the Government of Canada, to build a railway there. Therefore, he assented to the proposal of the hon. member for Lambton, to offer that Province \$750,000 as compensation. That was refused. For what was it offered? As compensation for the delays that occurred in the building of the road in British Columbia.

MR. BLAKE. And would occur.

MR. LANGEVIN * * * (Page 1483.) If we begin by passing this amendment, we are, in the words of the hon. member for West Durham, saying to British Columbia, "You may go; you are not reasonable." It would be unreasonable for us to tell British Columbia to go. She has been patient and reasonable. She will wait until the good times come, when the means of the country will allow us to build the road with vigor. We will build that railway, year by year, and shortly we will have a road from the Atlantic to the Pacific; and most likely, on that day, we will, I hope, find the hon. members for Lambton and West Durham in a first-class car going to see their friends in British Columbia; and at that period they will regret having attempted to destroy the future of Canada, by running down their country, and eulogizing the United States of America.

* * * * *

Monday, 19th April, 1880.

MR. MACKENZIE * * * (Page 1519.) The hon. gentleman† says that what are known as the Carnarvon Terms were binding on the country, but that the Terms of Union were not binding; and I was a little surprised

* Mr. Blake † Sir Charles Tupper.

MR. LANGEVIN.

to find the last speaker (Mr. DeCosmos) administer no rebuke for what he would call "bad national morality" and bad faith. * * * (Page 1520.) British Columbia had notice of the fact, and Mr. Trutch* who was then in Ottawa as a delegate from that Province, in the published speech made in this town, admitted that the Terms of Union must be determined by the public necessity. I cannot quote his language, but I think I have paraphrased correctly what he said on this subject. The hon. the Minister of Public Works alleged that the Opposition, in 1872, had endeavored to prevent Sir Hugh Allan succeeding in England, and that we prevented his success. All I have to say about that is that we knew nothing about Sir Hugh Allan's success or doings, except from remarks made by the hon. gentleman opposite, in this House (Sir Charles Tupper), when he announced, towards the close of the Session, in 1873, that the Allan delegation, in England, were meeting with most gratifying success. No act of the Opposition, good, bad, or indifferent, could have influenced the English public in the matter. But the scheme broke down, and the Government had to fall with the scheme they brought into existence. We came into office in November, 1873, two years and some months after the commencement of the tenth year period, which was to witness the completion of the railway to British Columbia, and after the time of the first protest by the British Columbia Legislature that the Terms of Union were not being observed. We can say that the Terms of Union had not been observed up to the moment we assumed the cares and responsibilities of office. It has been said by the hon. the Minister of Railways, and I commend his remarks to the hon. gentlemen from British Columbia, that we were then in a position to repudiate the entire railway—that it was quite possible for us to say to British Columbia that we are not able to succeed with the work. This, Sir, was the conclusion reached by the hon. gentleman opposite. We took the ground all along that we were bound, as public men, to endeavor to carry out the obligations to British Columbia, so far as was consistent with the security of our financial condition. We were

* Mr. Trutch could not vary an Act of Parliament; besides he had no authority to do so.

bound so far to give every possible opportunity that could be given to obtain public contractors and financial men interested, in order to carry out the terms as soon as possible. Within a very few weeks of the time we assumed office, we despatched a representative of the Government to the Province to endeavor to arrange for a modification of the terms to the extent that we believed we might be able to carry out. These modifications were not assented to by British Columbia, and we afterwards accepted the good offices of Lord Carnarvon, or more strictly speaking, we assented to Lord Carnarvon expressing his opinion upon the subject in something like these terms: That we were willing to submit to him whether the exertions of the Government, the diligence shown and the offers made, were or were not just and fair and in accordance with the spirit of the original agreement. Seeing it was impossible to comply with the letter of the Terms of Union in this particular, Lord Carnarvon expressed the opinion that we should make a little advance upon the offers made to British Columbia through Mr. Edgar. While we expressed a willingness to make further concessions rather than forego an immediate settlement of so irritating a question, as the concessions suggested might be made without involving a violation of the spirit of any Parliamentary resolution or the letter of any resolution, the declaration of our Act in 1874, as well as the Parliamentary resolution which preceded it, and the Parliamentary enactments of 1872, all pointed to the same determination, only to proceed as fast as our resources and Union obligations permitted. This was the position of affairs in 1874. I shall not, for a moment, deny that we intended to carry out the terms of the arrangement with Lord Carnarvon, and nothing but the want of means would have prevented us from accomplishing that object, an object which could not but be desirable to anyone who wished to see our trade extended. * * (Page 1528.) I will not enter at length into the question attending the modification of terms accepted by us and called the Carnarvon Terms, simply because the circumstances are well known to the members of the House; but I will say that it

has generally been understood that my reply of the 3rd of March, 1875, to my hon. friend from West Durham (Mr. Blake), was that we did not intend to ask the sanction of Parliament to any portion of those terms. No one can help seeing, by the phraseology that I used in that reply, that what I referred to was simply the expenditure upon the Pacific Railway proper, either on telegraph line or trail, to be made in advance of the road, and really forming part of the road itself, or the expenditure upon the construction proper which was to be \$2,000,000 a year, that was all provided for in the Act of 1874, and we only required the vote in Supply to enable us to proceed with that part of the terms; but as to the Nanaimo road, that being an entirely new enterprise,* it was impossible to proceed with that work without an Act of Parliament, and an Act of Parliament was brought in to sanction that; it was clearly beyond our scope to deal with it without an Act of Parliament, whatever might be said about the other points regarding the construction of the telegraph line, or trail, or the construction of the work proper. For the Nanaimo and Esquimalt line we had to ask a special enactment. We failed in this, because we were not able to obtain the necessary Legislative authority, the Senate having rejected the Bill. The hon. gentlemen opposite have tried to insinuate that it was possible that the Act was not passed through the Senate because it was not desired. I can only say that I hope that no one will accuse us of any such dishonorable course as that implied. The hon. gentleman must have supposed that we induced some of the Senators to vote against it so as to prevent its passage. I had no knowledge of any serious opposition to it in the Senate, by our friends, until it was rejected. Messrs. Penny and MacMaster voted against the Bill, but they did so upon their own responsibility, and without any communication with them by any person that I know of. I know that the Vancouver line* was of value on account of the value of the minerals; but when we assumed the responsibility of accepting the proposition of Lord Carnarvon, we did it as a matter of course, subject to the reservation previously made in the

* It was not an entirely new enterprise.

* V. I. line valuable on account of its minerals.

Order in Council, that it was predicated upon, and subject to the enactments already in existence, and the Parliamentary resolutions prohibiting increased taxation; and the mere fact that we had increased taxation in 1874, is no argument that we should increase it more. We increased it then to meet other obligations; and we believed we have reached or gone beyond the limit which it would not be safe to pass. We then proposed a substitution of a money vote for these terms, and with which the people on the Island could either build the Island road, or expend it in such other public works as might be approved of. We had expended all we could on that matter.

SIR CHARLES TUPPER. Do I understand that the vote of \$750,000 was given to the people in lieu of the road on Vancouver Island?

MR. MACKENZIE. If the road had been built it would not have been voted.

SIR CHARLES TUPPER. We understood the hon. member for West Durham to say, that the \$750,000 was in compensation for delays in the construction of the Canadian Pacific Railway. Was that so, or was it in compensation for the abandonment of the Nanaimo road?

MR. MACKENZIE. I was about to come to that point. Had we proceeded with the Island railway there would have been no necessity to adopt money compensation proposal; but we failed in that and the main portion of the terms broke down, and hon. gentlemen will find that the exact words used were: "compensation for delays."

MR. DECOSMOS. For delays that may take place.

MR. MACKENZIE. Of course the Esquimalt road was in compensation; it was a road we were not obliged to build, except on the agreement as compensation for delays.

MR. DECOSMOS. I think it was not given in compensation for *EV, NR*

MR. MACKENZIE. Our friends on the Island make that contention, but it will not bear any other construction than that it was in compensation for delays past and prospective. Why should we build that road, unless for some special reason of that kind? It was in connection with the delays in beginning the

MR. MACKENZIE.

Pacific Railway that it was undertaken; that was the inducement; it was an object greatly desired by the people on the Island; we had reason to know that few would object elsewhere, though there was a little complaint on the mainland; the road was only in compensation, but when that broke down the main portion of the terms broke down; the other portions are not broken to this day, except the non-completion of the telegraph line and the trail in connection with it, and even that part can hardly be said to be broken. The surveys were not completed until 1878; and it there has been any delay, which can be called breaking a portion of the Carnarvon Terms, it has taken place under the hon. gentlemen opposite; they will very likely claim that their expedition in continuing the surveys was also in continuance of the work, and that they have not broken the terms; and if they take that view they have not any excuse for an attack upon us. * * * (Page 1531.) The hon. gentleman* had alluded to the removal of rails from Vancouver Island to Yale, as an indication of the intention of the late Government to proceed with the work in the Fraser Valley, or else of their intention to deceive the public for the sake of the elections. The late Government, I am sure, had nothing to gain by ministering to any party in British Columbia, because British Columbia had always been hostile to them, and they had no reason to expect that a single member would be returned to support their Administration. But they had determined on Burrard Inlet as the terminus. They had determined also that as soon as they could, whatever time that might be, they would build the road, and, if they had remained in power, to devote some portion of public money, as soon as it could be spared, to place the rails on that road. How soon that could be spared was a matter of discussion, but they knew that the rails had to go there. They had a great deal of difficulty in getting them landed on the Island; heavy storage dues had to be paid, and they felt that the sooner these rails could be brought to their own

* Sir Charles Tupper.

* It was for delays "that may take place." See O. C., page 220. Railway Papers.

* The other portions of Carnarvon terms still in force, says Mackenzie.

** Surveys completed in 1878, yet Tupper had surveys made in 1879.

Money vote
\$750,000.

What
Mackenzie
Government
could do or
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property, where no charges would have to be paid, and where they would be nearest the place where they would be ultimately used, I deny that the late Government deceived any one in this matter. They made no promise. * * * (Page 1,537.)

The hon. gentleman seems to think that there is no alternative between the severance of the Union and the adoption of their railway policy. Well, if the Union must be severed—if the east or west must be chosen—I would select that portion which contains the smallest number of people to be severed, for hon. gentlemen cannot shut their eyes to the fact that the people of the Lower Provinces are openly complaining that they have been deluded in joining in Confederation, that they have been cheated, by its terms and promises not being fulfilled. We, on this side of the House, would take our stand on the resistance of increased taxation, especially for purposes which can only benefit a very small number; and as it is impossible in our situation to adopt the policy of the Government, without increased taxation, there is nothing for it but to vote for delay in the more expensive and useless portions of the work, and those which will confer the least benefit to the people. I believe very much depends on the expression of public opinion in relation to this matter, and while we shall all be glad if we are able to carry out in its entirety the treaty so-called, the hon. gentleman opposite made, we must be content with carrying out as far as our means will permit, those portions of the railway which were of most use to the greatest number of people. And with regard to the patriotism of this proposition, I maintain that that man alone is truly patriotic who looks beyond the present, who entrusts no one with unlimited power of taxation in order to carry on works which were of no immediate benefit to the great mass of the people, and which is opposed to the general sentiment. Why it is intolerable that nearly 4,000,000 of people who live on the eastern side of the Rocky Mountains should be taxed to such an enormous extent as they are now, and will be in future, merely to keep up the appearance of

complying with terms which, in their strict interpretation cannot possibly be complied with. The late Government was bound by Parliamentary resolutions passed after the Terms of Union were agreed to, to the same extent as hon. gentlemen opposite and no more, and when accused of lack of patriotism or loyalty, I can only reply in the manner in which Burke met a similar accusation in the English House of Commons. Burke, when accused of disloyalty in opposing some measures of the Ministry, replied that: "He yielded to no man in his loyalty to the Queen, but he did not feel bound nor at all inclined to extend that feeling of loyalty to Her Majesty's man-servant, her maid-servant, her ox, nor her ass."

SIR JOHN A. MACDONALD. We have heard that before.

MR. MACKENZIE. Yes, I think I have had occasion to say that before, and to an audience, to some considerable extent, the same as the present one. The hon. gentleman was certainly present at the time, but he cannot have it repeated to him too often.

* * * * *

Tuesday, 20th April, 1880.

MR. ANGLIN * * * (Page 1581.) Now, I quite agree with the hon. member for Victoria (Mr. DeCosmos) that it was not within the competence of this Parliament, after having deliberately adopted that address, to alter very materially the terms of the agreement by its own action, and, therefore, although that cannot bind us as to anything absolutely impossible, or anything that might seem ruinous to this country, nevertheless, I have always felt that this Dominion was bound to carry out the terms of that arrangement, strictly in the letter, and in the spirit, were that possible. But hon. gentlemen on the other side of the House, who had entered into this extraordinary agreement, which any man of common sense would have known it would be impossible to carry out, deliberately proposed and passed

Tax resolution not part of terms.

* Canada never paid a dollar out of taxes for interest on capital expended on C. P. R. See Blake on this subject, page 133.

Appeal to
England
proper.

a resolution declaring that the burden of the country and the rate of taxation must not be increased in carrying out that agreement. * * * (Page 1582.) An appeal was taken to the Colonial Office. That appeal was not wholly improper. The Imperial authorities were, to some extent, parties to the arrangement made between that Province and the Dominion, and might have had a right to do something towards enforcing the fulfillment of the terms of that agreement. But the Government, led by the hon. member for Lambton, did not, as has been alleged, join in that appeal or consent to accept the arbitration of Lord Carnarvon, or to be bound by any decision he might give, nor when he made suggestions did they bind themselves in any way to carry out those suggestions. They gave to those suggestions the weight to which they were entitled; but they prudently and properly declared that the Resolutions and the Acts of Parliament, which provided that the rate of taxation must not be increased, would be duly observed. The Minutes of Council states the whole case plainly. Now that, Sir, was what they assented to in these suggestions of Lord Carnarvon. They never did assent, or agree in any way, that Lord Carnarvon should have the right to direct what Canada and the Government of Canada should do, but they were willing to leave it to him as one of Her Majesty's Ministers (Secretary of State), as a man of high character, to say whether they had or had not done all that was incumbent upon them to do under the circumstances. The negotiations proceeded, and Lord Carnarvon undertook to state what he believed Canada ought to do, and those terms, as they have been called, have been much commented on. Hon. gentlemen opposite stated, over and over again, that in accepting those terms, the Liberal Government laid new obligations on Canada; and the hon. Minister of Railways in particular spoke as if Canada, up to that time, never was bound to do anything, but that this was absolutely the first time any positive obligation was laid upon the country, although, in reality, this was a modification of the Terms of Union entirely in favor of Canada,

Carnarvon
terms in
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entirely.

MR. ANGLIN.

giving us nineteen years to do part of the work, the whole of which hon. gentlemen intended to complete in ten years—a vast modification of the Terms of Union. But even that modification the Government of the day did not absolutely accept; they did not absolutely bind Canada to carry out these conditions. It is well that the words used in the Minutes of Council, respecting those Carnarvon Terms, should be again put on record, and be known and understood by the people of this whole Dominion, whom hon. gentlemen opposite have so persistently endeavored to mislead as to the character of those terms. The Resolution was the original Resolution, that this road should be built, but in such a way as not to add to the burdens of the people of Canada. The enactment there referred to is plainly the Act introduced by the hon. member for Lambton, providing for the construction of the road, and making that resolution part of an Act of Parliament. So they plainly indicated in their answer to Lord Carnarvon, in this Minute of Council, that they would only carry out his suggestions so far as it could be done without violating any resolution or enactment of Parliament relating to an increase of taxation. Here we find the whole matter put upon an intelligible and satisfactory footing; and then, Sir, to follow the history of this matter, which has been so misunderstood, let us see what followed. The hon. member for Lambton, in the following Session of Parliament, introduced a Bill to give effect to one portion of the suggestions—I will not call them terms at all, as that is a word not applicable to the Carnarvon suggestions—to introduce a Bill authorizing the Government to construct a Railway from Nanaimo to Esquimalt. Hon. gentlemen talked of that as if it was an addition to the original undertaking, and spoke of all the mischief thus wrought by the hon. member for Lambton and his colleagues. The hon. the Minister of Railways asserted that they had by this means added four millions of money to the cost of the Pacific Railway, as projected by himself and colleagues. Why, as the hon. gentleman has been already reminded, one of the very first things done by

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hon. gentlemen opposite after the Union, was to pass a Minute in Council fixing Esquimalt as the Pacific terminus of the Railway. The hon. the Minister of Public Works in the previous Conservative Government (Mr. Langevin), visited the Western Province and was no doubt, heartily received by the people of Vancouver Island. He came back and it was upon his report, I believe, that the Order in Council was passed, making Esquimalt the terminus of the railway. So that, even if this railway had been gone on with by the late Government, they would only have been carrying out the expressed intention of hon. gentlemen opposite, of carrying out what was a pledge made by them to the people of Vancouver Island, and there would have been no increase to the cost of building the Pacific Railway as originally intended by those hon. gentlemen. Further, had their own grand original idea been carried out, it would have been necessary to bridge the Straits, at an expense estimated by Mr. Fleming, of some \$20,000,000, in order merely to get down from the head of Bute Inlet to the coast, and thence cross to Vancouver Island, one of the most stupendous works ever conceived in the history of railways; and yet this hon. gentleman, the hon. the Minister of Railways, who really committed himself to that extravagant project, who really was one of the Council that deliberately resolved that it should be done, had the coolness to charge the hon. member for Lambton with having added \$4,000,000 unnecessarily and unprofitably to the cost of the Railway on the side of the Pacific. We know that the Bill passed through this House; we know that the majority of the members of this House, although many did not approve of the Carnarvon suggestions, passed that Bill. It went to another House, and there it was defeated; and now the hon. member for Lambton is charged with having, somehow or other, caused the defeat of that measure, at all events of being responsible for its defeat. The hon. the Minister of Public Works, talking on that point some evenings ago, calmly asserted that if the hon. member for Lambton had chosen to exert his influence in the other House, that Bill

might have passed, and therefore he was responsible for the failure, and guilty of a breach of good faith in this matter. All the gentlemen in the other House who voted against that measure were, with two or three exceptions, then, as the survivors of them are to-day, in thorough and entire sympathy with hon. gentlemen opposite. We know, from the history of that House, that the majority of its members sympathise with hon. gentlemen opposite, and rarely do anything to run counter to their wishes, thwart their projects, or cause them any embarrassment. Had hon. gentlemen opposite chosen that the Bill should pass it would have passed, but Liberals, either of this House or of that, are not made of such metal as hon. gentlemen opposite hammer into any shape they please.

* * * (Page 1584.) The hon. member for Lambton, no doubt, found out that the country at large did not quite approve of the Carnarvon suggestions, that his friends on the other side were not willing to co-operate with him in carrying out these suggestions, and, no doubt, he felt relieved by the action of Parliament which released him from that particular part of what has been called an obligation; but when the hon. member for West Durham joined the Government a proposal followed, almost immediately, that the 10,000 or 15,000 people in British Columbia should be paid \$750,000 by the Dominion of Canada as compensation, not merely for the disappointment they had experienced in not getting this railway built, but for the disappointment they would have to experience throughout, because the terms originally entered into with them by this Parliament, led by hon. gentlemen opposite, were terms which could not be carried out to the letter, and they had some reason to complain they had been deceived. It was fair, perhaps, that Canada which, with eyes open, entered into the bargain, should compensate the weaker power for the violation of the terms of agreement, even though these terms were impossible of fulfillment. British Columbia, fortunately for the Dominion, refused that offer, and I hope it will be a long time before such another offer will be made. I was certainly much surprised

Opposition
in 1875 could
have passed
E. & N. B. Bill
thru' Senate.

It was fair
to compensate
B. C.

Secession
of B. C.

that such an offer was made. * * * (Page 1589.) When the hon. member for Lambton issued his address to the electors, and stated that he felt it impossible to carry out this work within the time named, the right hon. leader of the Government of to-day, in a speech delivered, I believe at Kingston, declared that even that was repudiation, and that it would justify the people of British Columbia in seceding from the Confederation. Other speeches were made in the same direction, and more than once the hon. members from British Columbia were told that they had ample justification for seceding from Canada altogether. Well, there are some in this country who would not have regretted very much if they had seceded. There are some who believe that British Columbia is unreasonable in its demands, and in exacting the absolute fulfillment of the terms originally imposed upon the people of Canada. * * * (Page 1595.) We must complete as soon as we can the work of enlarging our canals. The Welland Canal will require a loan of \$2,250,000 at least to complete it, and that money ought to be expended within a year, if possible. The Lachine Canal ought to be finished at once, and that would require \$1,120,000 more. There is an expenditure of \$3,407,000 absolutely necessary on these two works, which we must raise by borrowing and the interest on which we must endeavor to provide—let us hope not by borrowing, but by taxation. I do not know what the expenditure for the Carillon and Grenville Canals ought to be for the next year, but I have heard it estimated on the whole as large as \$2,000,000. Besides that, there is the work of enlarging all the other canals, to which we are constitutionally as much obliged as we are to the building of the Pacific Railway. The Constitution expressly declares—there are some strange provisions in that Constitution—that these canals should be enlarged as soon as the state of our finances would permit.

SIR JOHN A. MACDONALD. No; it does not.

MR. MACKENZIE. The resolutions adopted by the delegates from the Province do so, and it has been upon these

MR. ANGLIN.

resolutions that the fabric of Confederation is formed.

SIR JOHN A. MACDONALD. It is no portion of the Constitution.

MR. MACKENZIE. Well, it is something.

SIR JOHN A. MACDONALD. No; it is not.

MR. ANGLIN. I do not quite say it is the same thing. I speak from recollection of the Quebec scheme, and from that day to this, the impression on my mind was that this was a constitutional obligation.

SIR JOHN A. MACDONALD. There is no provision of the kind in the British North America Act affecting any works whatever.

MR. McLENNAN * * * (Page 1607.) He has left us for ever in doubt as to whether, in his dealings with British Columbia, he "paltered in a double sense," whether he* meant in advertising for the construction of a section of road in that country "to keep his word of promise to the ear" of the people of British Columbia, while breaking that promise to their hope, or whether he really meant what he professed to do when he advertised for the contract for the work. I am afraid we shall never find out what the hon. gentleman opposite intended in that respect. * * *

MR. DAWSON * * * (Page 1609.) I was glad to hear the hon. Minister say that faith must be kept with British Columbia, and, if we may judge of the feeling of the people of that Province by the sentiments expressed by their representatives in this House, I believe they will not be unreasonable in their expectations. * * * (Page 1614.) A good deal has been said about what has been called the Carnarvon Treaty, and I am inclined to think, with the hon. member for West Durham, that that treaty has not much force, for the simple reason that it did not receive the sanction of this Parliament. But if this Carnarvon Treaty is to be set aside, in what position are we? We are in a still worse position. Then we have to fall back upon the terms as laid down in the Addresses from this Parlia-

* Mr. Mackenzie.

* No special provision in Union Act 1867 for Canal expenditure.

ment and from British Columbia at the time of the Union. The road must be constructed within ten years, that is to say, in 1881. We are in a worse position, because under the Carnarvon Treaty we have until 1890, and we have a still more important clause, to the effect that we are not bound to expend more than \$2,000,000 per annum. I do not think it was patriotic on the part of the hon. member for West Durham to repudiate this Carnarvon Treaty, which certainly introduced better terms in favor of Canada. If I voted for the motion of that hon. gentleman, I would consider that I was voting for repudiating an obligation of this country. In a new country like ours, public works must generally be carried on by means of loans in foreign markets; and I ask any hon. member of this House, whether it would be wise for us to establish such a precedent in view of its effect upon our credit? * *

MR. BLAKE AT HAMILTON.

(From *Toronto Globe*, Dec. 31st, 1880.)

"HAMILTON, Dec. 30. * * * He (Mr. Blake) had never said, and he never believed, that the three millions which had been imposed in 1874 went to build the Pacific Railway. To maintain that three millions of taxation in 1874 was necessary in order to build the road would have been folly, because they all knew that the work was always intended to be, and should always be, charged to capital account, and all that was necessary was to provide sufficient yearly to pay the interest on this capital, and from the year 1874, down to the present time the whole expenditure on this account had only amounted to \$827,000, or a little over a quarter of three millions."†

* Carnarvon terms best for Canada.
repudiated.

‡ Canada's credit might be injured, if obligation to B. C. were

† Total interest on expenditure, on C. P. R. to December, 1880, \$827,000. See also statements No. 1 to 9, pages 139 to 148.

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EXTRACTS from the "Debates of the House of Commons of the Dominion of Canada, Vol. I., Session, 1881," on the Canadian Pacific Railway.

HOUSE OF COMMONS.

Tuesday, 14th December, 1880.

CANADIAN PACIFIC RAILWAY.

HOUSE IN COMMITTEE ON RESOLUTIONS.

Sir CHARLES TUPPER * * *
(Page 52.) In 1874 the hon. gentleman (Mr. Mackenzie) introduced a bill for the purpose of providing for the construction of the Canadian Pacific Railway, and, in the course of a very able and a very exhaustive speech, he placed very fully on record the opinions which he held, and which embodied the opinions of the Government at that time. He stated, as will be seen on reference to *Hansard* of May 12th, 1874:

"The duty was imposed upon Parliament of providing a great scheme for carrying out the obligations imposed upon us by the solemn action of Parliament in this matter. The original scheme was one that I opposed at the time of its passage here as one that in my mind then seemed impracticable within the time that was proposed, and impracticable also with the means proposed to be used to accomplish it."

I wish to invite the attention of the House to the formal declaration made on the floor of Parliament by the late Prime Minister that the means that Parliament had placed at the disposal of the Government of their predecessors—\$30,000,000 in money and 54,000,000 acres of land—were utterly inadequate to secure the construction of the work. Then the hon. gentleman continues:

"I have not changed that opinion, but, being placed here in the Government, I am bound to endeavour, to the utmost of my ability, to de-

visé such means as may seem within our reach to accomplish in spirit, if not in the letter, the obligations imposed upon us by the Treaty of Union, for it was a treaty of union with British Columbia."

Treaty of Union.

I am sure that British Columbia will be very glad to be again reminded that the late leader of the Opposition maintained that this was an absolute treaty of union with British Columbia. Then he continues:

Absolute Treaty.

"We had to undertake to vindicate the good faith of the country and do something which would enable this Parliament to carry out in spirit, if not in letter, the serious undertaking of building the railway as far as the shores of British Columbia. The legal terms are exact; we are bound within a specific time to construct a road to connect with the railway system of Ontario on the east, with the Pacific coast on the west. There was a moral obligation as well as a legal obligation. We thought, in the first place, that, after having had time to consider what should be done, the best course to pursue in the meantime would be to confer with the Local Government of British Columbia, and endeavour to ascertain from them if any means could be arranged whereby an extension of time could be procured for the prosecution of the work which we were bound to undertake."

Legal terms and moral obligations.

"With that view, a gentleman was sent as a representative of this Government to that Province, and in the course of his negotiations with the Local Government it became apparent, as it had been apparent in this House from several members from the Island of Vancouver, that it was an exceedingly important matter in their estimation that the road should be commenced at once at Esquimalt, and traverse the Island to that point where the crossing of the Narrows was ultimately to be. I, for one, was quite willing, if the Local Government were disposed to make some terms for the extension of time, to undertake the construction of the Island portion as rapidly as possible; but, if it became apparent that the local authorities were

1874.

determined to adhere rigidly to the Terms of Union, and demand the whole terms and nothing less, this House and the Dominion of Canada, I was and am strongly of opinion, would, on their part, concede to them the terms and nothing more. Proceeding upon the belief that this was a fair representation of the opinions of the country, which had to pay for the construction of this enormous work, we instructed Mr. Edgar, who was appointed to represent the Government in the matter, to say that the Government would be prepared to undertake immediately the commencement of the work upon the Island, traversing it northwards in the direction of the point of crossing, prosecute the surveys on the mainland, construct a passable road along the ridge, erect a telegraph line along the road, and, as soon as the work could be placed under contract, we would expend a million and a half a year within the Province. I do not know whether the offer will be accepted or not, and, in the meantime, it is absolutely necessary that Government should have authority to proceed with the commencement of the works in such a way as they think will meet with the acceptance of the country generally, and the reasonable people in British Columbia."

Now, I need not remind the House that this question was made the subject of reference by British Columbia to the Imperial Government, and Lord Carnarvon submitted, for the consideration of this Government, his view of what should be done; that was, that not less than two millions, in addition to the railway on Vancouver Island, the telegraph line, the waggon road, and all those other considerations, should be expended annually by the Government within the Province of British Columbia. When the hon. gentleman submitted his resolutions in 1874, as I am now submitting my resolutions, he said:

"We propose in these resolutions to ask the House to agree to these general propositions. In the first place, we have to ask the House for complete power to proceed with the construction of the road under the Terms of the Union with British Columbia, because we cannot throw off that obligation except with the consent of the contracting parties, and we are therefore bound to make all the provision that the House can enable us to make, to endeavour to carry out in the spirit, and, as far as we can, in the letter, the obligation imposed on us by law. The British Columbia section will, of course, have to be proceeded with as fast as we can do it, for it is essential to keep faith with the spirit and, as far as possible, with the letter of the agreement."

* * (Page 53.) Again, it will be seen that the hon. gentleman puts forward as his policy, and the policy of the Parliament of 1874, as it had been the policy of the
Sir CHARLES TUPPER.

Parliament of 1871 and 1872, that the work should be prosecuted by the agency of a private company, aided by a grant of money and land. As I have already stated, the subject was made a matter of reference, in 1875, to Lord Carnarvon, and he proposed that \$2,000,000, and not \$1,500,000, should be the minimum expenditure on railway works within the province from the date at which the surveys are sufficiently completed to enable that amount to be expended on construction. In naming this amount, His Lordship understood, in the language of the memorandum:

"That, it being alike the interest and the wish of the Dominion Government to urge on, with all speed, the completion of the works now to be undertaken, the annual expenditure will be as much in excess of the minimum of \$2,000,000 as in any year may be found practicable. Lastly, that on or before the 31st of December, 1890, the railway shall be completed and opened for traffic from the Pacific seaboard to a point at the western end of Lake Superior, at which it will fall into connection with existing lines of railway, then by a portion of the United States, and also with the navigation on Canadian waters."

These terms included, it is true, a considerable extension of the time within which the road was originally to have been completed, but they fixed a definite and distinct limit within which a large portion of the Pacific Railway should be constructed and put in operation. The hon. gentleman himself, in referring to these terms, used this language:

"We shall always endeavour to proceed with the work as fast as the circumstances of the country—circumstances yet to be developed—will enable us to do, so as to obtain, as soon as possible, complete railway communication with the Pacific Province. How soon that time may come I cannot predict, but I have no reason to doubt that we shall be able to keep our obligations to British Columbia now amended, without seriously interfering with the march of prosperity."

That is, that by 1890 the hon. gentleman hoped to complete it, "without seriously interfering with the march of prosperity." I am glad, notwithstanding the difficulties which the hon. gentleman encountered, to be able to submit to his consideration the means by which we are to do that to which he pledged himself, and pledged the honour and faith of his Government and his party, so far as the leader of a great party can pledge that party to

the accomplishment of a great national undertaking. But, Sir, I am glad to be able to give not only the authority of the leader of the late Government, but that of the hon. and learned gentleman who is leader of Her Majesty's Constitutional Opposition at the present moment. That hon. gentleman is reported in *Hansard* of March 5th, 1875, to have used these words:

"The general policy of the country upon the subject of the Pacific Railway was spread before this country anterior to the late general election, and practically and fairly stated."

I have read to the House the words which the Premier of that day, as the hon. gentleman said, "practically and fairly" stated his policy, and I quite agree that it was so stated. The hon. member for West Durham continued:

"In some of the minor details of that policy the hon. member for Cumberland has indicated more or less of change, but the broad features of that policy were, as I have said, plainly stated to this country anterior to the late general elections; the verdict of the country was taken upon it and the result was a decided acceptance of it. It is not reversible by us. We have no mandate to reverse it. Upon the most enlarged considerations of the rights of members of Parliament, I cannot conceive that we could have the right at all to listen to the appeal of the hon. member for Cumberland, and to enter into a consideration whether that policy upon which the country's opinion was asked and taken, and which opinion we were sent here to enforce, should be altogether reversed. I do consider it would be unwise for an instant to consider any such proposition. I do not believe that any other policy in its general effects than that which was so proposed and so accepted is at all feasible."

Now, Sir, I ventured to say, at the outset of my remarks, that we had the means of showing to the House, not only that Parliament, on both these great occasions, had distinctly declared the policy of constructing the Canadian Pacific Railway, but that the people, as stated by the present leader of the Opposition, had given an affirmative to that proposition, and had, as that hon. gentleman averred, put it without the power of this Parliament to change that policy. I must remind the House that the circumstances of the country were very different in 1875 from the circumstances of the country at the time at which the previous Government undertook the construction of the Canadian Pacific Railway; but notwithstanding that changed condi-

tion of circumstances, notwithstanding that the hon. gentleman's Finance Minister was compelled to come to Parliament year after year and ask permission to increase largely the taxation of the country in order to meet the ordinary expenditure; notwithstanding all this, the hon. gentleman held that the honour and good faith of the country were pledged to the construction of this great work, and he came to this House and asked the authority of Parliament for the prosecution of his scheme. In 1876, after longer experience, after having found that the financial difficulties of the country had certainly not decreased, the hon. gentleman was still undismayed, for, in 1876, from the high and authoritative position of a Prime Minister submitting the policy of his Government to the country, after full and deliberate consideration, he enunciated the following views:

"We have felt, from the first, that, while it was utterly impossible to implement to the letter the very agreements entered into by our predecessors, the good faith of the country demanded that the Administration should do everything that was reasonable in their power to carry out the pledges made to British Columbia, if not the entire obligation, at least such parts of it as seemed to be within their power, and most conducive to the welfare of the whole Dominion, as well as to satisfy all reasonable men in the Province of British Columbia, which Province had fancied itself entitled to complain of apparent want of good faith in carrying out these obligations." * * *

So that the hon. gentleman, in 1876, not only contemplated going on steadily with the prosecution of the work, or very important sections of the work, but he had it in contemplation to invite tenders for the construction of the whole Canadian Pacific Railway, on terms which, as I shall show more specifically hereafter, were largely in excess of any authority we ever obtained from Parliament, and terms that, as I have said before, he himself held, and I suppose conscientiously held, to be utterly inadequate:

"If we are able to commence the work of construction this coming year in British Columbia, these rails would be required. It may be said to be impossible to commence the construction of the road in British Columbia without having rails on the spot."

And in that I concur with the hon. gentleman.

Mr. MACKENZIE. The concurrence comes very late.

Sir CHARLES TUPPER. The hon. gentleman will not, I think, find any ground for making that statement. I think he will, perhaps, allow me to interject that they would have been equally useful if they had not lain quite so long in British Columbia. The hon. gentlemen further said :

Rails.

Promises yet unfulfilled.

"There are five thousand tons in British Columbia, and, if we erred in sending them there, we have simply erred in our earnest desire to show the people of British Columbia that we are desirous of keeping faith with them, that our speeches were not mere empty promises, and that we were resolved to place ourselves in a position they could not misunderstand."

A year later, 1877.

Well, Sir, in 1877, after another year's experience, the hon. gentleman again stated the policy, that still was the policy of his Administration, in reference to this work. He said :

No right to neglect treaty obligations.

"The late Administration, in entering into the agreement for bringing British Columbia into the Confederation, had an express obligation as to the building of the railway across the continent from Lake Nipissing on the east to the Pacific Ocean on the west, within a specified number of years. When the present Administration acceded to power, they felt that this, like all treaty obligations, was one which imposed upon them certain duties of administration and government which they had no right to neglect, and that they were bound to carry the scheme practically into effect to the extent that I have indicated. The whole effort of the Administration, from that day to this, has been directed to the accomplishment of this object in the way that would seem to be most practical and most available, considering the difficulties to be encountered and the cost to be incurred."

* * * (Page 57.) In 1880 we again met the House, and we met it with the same policy we adopted the year before, and that was, in good faith to take up the obligations that devolved upon us through the acts of our predecessors. Although we had not propounded the policy of carrying on the work by the Government, we took up the work as we found it. *We placed under contract the 127 miles of road which the leader of the late Government had announced—by advertising for tenders—as his intention to build; which he had assured the people of British Columbia we intended to build, and which, under the terms with Lord Carnarvon, he was bound to place

Placed 127 miles under contract in 1880, seven years after time agreed upon.

* Work evidently delayed one year, and, to make it appear necessary surveyors were sent out to Fort Simpson and Peace River. Trudeau said October, 1880, it was well understood, nevertheless, in Railway Department that the work would be commenced on Fraser route. See Fleming's Report, 30th Sept. 1899, last paragraph.

Note.—Read Terms of Union with Carnarvon Terms; where not superseded by the latter the former are in operation.

† See Dufferin's speech, p. 258, Railway Papers.

under contract. When we met Parliament with the statement that we were going on with this work, I think we scarcely met with the amount of aid and co-operation from the gentlemen opposite to which we were entitled. I do not wish to say anything that would seem harsh to any gentleman on the other side of the House, but I really do not think the attitude which the Opposition assumed towards this Government, when we were only carrying out the pledges which they themselves had given over their signatures as Ministers, by their votes in Parliament, and by their declarations of policy in this House, in the country, and to the Imperial Government, was justifiable. As we were only carrying out what they proposed, we had a right to expect to be met in a manner different to that in which we were met by them; but the attitude hon. gentlemen assumed only afforded an opportunity of showing that, whatever change of sentiment may have taken place in the mind of the leader of the Opposition, no such change had taken place in the mind of Parliament in relation to the subject. The leader of the Opposition moved—and in making this motion he submitted a resolution directly in antagonism to the policy of the Government which he supported and to his own recorded utterances on the floor of this House—that we should break faith with British Columbia and with Lord Carnarvon, and that we should give, I was going to say the lie, to Lord Dufferin, who stated on his honour as a man that every particle of the terms of agreement with British Columbia were in a state of literal fulfilment. The result of the moving of this resolution was to place on the records of Parliament a vote of 131 to 49 that good faith should be kept, and that we were bound not only to keep good faith with British Columbia, but that we owed it to Canada to take up this work and prosecute it in such a way as we believed was absolutely necessary in order to bring it within such limits as would enable us to revert to the original policy of building the road by means of a company aided by land and money. And, had we not placed that section under contract in British Columbia, had we not vigorously prosecuted the 185 miles wanted to complete the line between

Lake Superior and Red River, we would not have been able to stand here to-day laying before the House the best proposal for the construction of the road that has ever been made to this Parliament. Well, Sir, I will give, in conclusion, the utterances of the hon. the leader of the late Government at the last session of Parliament. He said:

* "I shall not for a moment deny that we intended to carry out the terms of the arrangement with Lord Carnarvon, and nothing but the want of means would have prevented us from accomplishing that object, an object which could not but be desirable to anyone who wished to see our trade extended."

Not merely that the obligation under the Carnarvon terms, but that the interests of the country, rendered it desirable that the policy should be carried out.

"No one who looked to the desirable extension of our business across the continent could avoid seeing that if such an extension could possibly be obtained without too great sacrifice it would in itself be desirable."

Sir JOHN A. MACDONALD. Who said that?

Sir CHARLES TUPPER. The leader of the late Government, at the last session of Parliament. * * * (Page 59.) As my right hon. friend has stated, Canadian and American capitalists made proposals for the construction of the remaining portions of this work. The Government proposed to complete the line from Thunder Bay to Red River. We proposed to complete the contracts that were made in British Columbia in the canyons of the Fraser River, and to carry the line on—for it was an absurdity for the terminus of the Canadian Pacific to be at a place where there was only a depth of three feet of water, however advisable it might be for temporary purposes—and we proposed to complete ultimately ninety miles of a line from Emory's Bar, to be constructed down to tide water at Port Moody, the harbour selected by the hon. gentleman opposite as the best terminus for the Canadian Pacific Railway. We are always ready, and are prepared, to give all the credit and praise that we possibly can give to our friends opposite, and we showed it by the adoption of the place which the hon. gentlemen in their wisdom had chosen as the terminus. * * *

Thursday, 16th December, 1880.

THE VANCOUVER ISLAND RAILWAY.

Mr. BLAKE, in moving for any copies of any correspondence with the Government of British Columbia, or with any persons in that Province, respecting the Island Railway, said: I observe that there has been some discussion on the subject of the Island Railway, an enterprise in which, as the hon. member for Vancouver (Mr. Bunster) knows, I have always taken a very great interest, and I think it would be important to know whether there has been any correspondence on that subject. The gentlemen whom my hon. friend has always regarded as the special friends of his Province are now in power, and have brought down a scheme for the completion, as they call it, of the Pacific Railway. I suppose my hon. friend from Vancouver will agree with me, though on entirely different grounds, that the scheme is a very imperfect one. His reasons will be, the railway does not go far enough west, does not extend to the Island. At any rate, it will be interesting to know what is the attitude of the Government with regard to the Island Railway.

* * * * *

Friday, 17th December, 1880.

CANADIAN PACIFIC RAILWAY.

Mr. LANGEVIN * * * (Page 130.) I am sorry to see that the hon. gentleman, even at so late a period as this, should raise the question of the small population of British Columbia. This was not a question of whether British Columbia had 10,000 or 12,000 people, but one regarding a great undertaking for a great nation and a great people. True, British Columbia is only a Province, but that Province will be filled with a large population in a few years, and that population will be composed of Canadians as we are, and will form a portion of a great nation, which, of course, must grow as other nations have grown. And when we see that our neighbours on the other side of the line, who had only a population of 4,000,000 when they separated from Great Britain, have now a population of nearly 50,000,000, we have no reason for despairing, or for believing that, with the same energy and determination, and with as

* In 1880 Mackenzie said he had intended to carry out Carnarvon Terms.

† Vale Terminus an absurdity.

‡ O. C. 1878 July. Port Moody or Burrard Inlet. Land asked for, was from English Bay.

good a climate as any other country, we should not increase as rapidly as the United States. * * * (Page 132.) And, if the Pacific Railway were left to their tender mercies, I have no doubt we would not see it completed for thirty years to come. This Pacific Railway will be built in a comparatively small number of years, for it is a necessity for the country, not only because we made a treaty with British Columbia, but because the necessities of our position here in the north, north of the United States, require that we should have complete communication with all parts of the Dominion. * * *

Tuesday, 21st December, 1880.

Mr. IVES * * * (Page 183.) He * made a second treaty with British Columbia, under which, so far as the Government were able, he agreed to spend not less than \$2,000,000 on the mainland of British Columbia every year in the construction of the Canadian Pacific Railway. He purchased large quantities of rails, which he transported at great expense to the Pacific coast, for the purpose, we must presume, of building the Pacific Railway in the Province of British Columbia. * * *

Tuesday, 4th January, 1881.

Mr. PLUMB * * * (Page 256.) Following the Government which had been overthrown in 1873, he † felt himself bound by the same conditions which had bound his predecessors. He attempted, in his own way, to be sure it was not an effective or efficient way, to implement the engagements which had been made when British Columbia was received into the Union, and I may venture to quote here, with a very considerable degree of reverence to so great an authority, the statement which was made by the hon. gentleman who now sits on the Opposition side, and which confirms me in the idea that it was considered most important by the leaders of that party, except one, to carry out their engagements. The hon. gentleman (Sir Richard Cartwright) said

* Mr. Mackenzie.

† Mr. Mackenzie.

Mr. LANGEVIN:

on the floor of the House, in 1876, as reported in *Hansard*, page 188:

"When negotiating a loan in England in 1875, the first questions put to him were: What is your policy respecting the Pacific Railway; we know perfectly well that you have been engaged on an insane project, that your resources are inadequate to carry out the engagement you have made with British Columbia."

They took that from the hon. gentleman's speech in 1874, and were quoting him against himself.

Sir JOHN A. MACDONALD.
Hear, hear.

Mr. PLUMB. They were quoting his Budget Speech in 1874, against that celebrated circular which the hon. gentleman issued when he went to England to negotiate his first loan, when he ceased to be brazen, and tried to transmute himself into a metal which was not so base. The hon. gentleman further said:

"And it is our duty to tell you that you have two dangers before you. If you say you are going to carry out your engagement no man will believe you or trust you. If, on the other hand, you repudiate them you will sink to the position of the repudiating States of America. And because he, Mr. Cartwright, was able to say that the Government of Canada, while not proposing to do improbable things, were, however, prepared faithfully and honourably to redeem their obligations, and had imposed an additional tax of \$2,000,000 in order to do so, that he had succeeded in this transaction."

And yet hon. gentlemen tell us that the Pacific Railway was to be constructed without imposing additional taxes on the people. * * *

Monday, 10th January, 1881.

THE ONDERDONK CONTRACT.

Mr. DECOSMOS enquired, What is the estimated value of the work performed under the railway contract with A. Onderdonk or assigns on the Canadian Pacific Railway, between Emory and Savona Ferry, Kamloops Lake, up to or about December 1st, 1880; and what is the amount of money that was paid to A. Onderdonk or assigns, on account of said work, up to and since December 1st, 1880?

Sir CHARLES TUPPER. The estimated value of the work performed up to December 31st, 1880, is \$408,506; the

Pacific Railway to be built in few years.

Carnarvon terms.

* Repudiation doctrine. C. Parliament cannot change Imperial Act.
† What burdens, if interest and sinking fund were paid by Dominion notes, and not from taxes?

* Canada, by not keeping faith with B. C., to sink to level of repudiating States.
† Cartwright said \$2,000,000 additional were for C. F. R.

amount paid is that amount less 10 per cent. retained as drawback.

Wednesday, 12th January, 1881.

CANADIAN PACIFIC RAILWAY.

Mr. MACKENZIE * * *

(Page 390.) Now, Sir, in pursuance of a general policy, which was accepted by the nation at large, I felt, after the Pacific Railway Act was passed in 1872, after the excessive terms granted to British Columbia, that, while I still entertained the same opinion as to the unwisdom of that arrangement, as to the extravagance of the bargain, as to the impossibility of executing the contract so undertaken, yet, I say, I felt bound to give whatever assistance might be in my power as a private member of the House and afterwards as leader for five years of the late Administration. But, Sir, while this was the case, I was bound, at the same time, by other considerations as a public man, which must necessarily weigh invariably with those who have assumed the responsibilities of Government. In the first place, the Act of 1872 enacted, as did the Act of 1874, that the scheme of union with British Columbia, that part of it which involved the building of the railway within the limited time, provided that the railway should be executed only if the burdens upon the people were not in excess of the then existing rate of taxation. My hon. friend from Bothwell, a few evenings ago, in discussing the constitutional law applicable to the union of two nations, or, as in this case, two Provinces, took as an illustration of the obligations resting upon the superior power, or majority in the united nation, the violation of the terms of Union between England and Scotland, in 1707, and proved that constitutional authorities asserted that it was quite competent for the Legislature, which was composed of representatives of both Scotland and England, although the latter should be largely in the majority, to set aside Articles of Union which were considered after the Union to be unwise in their character. Now, while I quite admit that it would be competent for the Dominion Legislature, comprising, as it does, representatives from British Columbia as well as from other Provinces, to make changes that were not contemplat-

ed in the terms of Union, that they might to a certain extent, or perhaps to any extent, so far as any constitutional legality is concerned, set aside the conditions of Union between the two Provinces. I felt, however, that might be, that it would not be fair, in the large majority of this House and in the other House, to violate any of the provisions of that compact which could possibly be observed; and, Sir, whatever faults I may have had as administrator of the Government of Canada, one of them was not the shirking of obligations imposed upon me as a Minister and as a member of this Parliament so far as I was able with the means the nation placed at my command to carry these obligations practically into effect by legislation. I am not at all certain but that on several occasions I went to the very extreme of what should be done in order to favour the people of British Columbia, and in order to maintain intact our own honour as a people. On one occasion, which the hon. gentleman referred to, and some other hon. gentleman referred to, in a manner which I do not intend to notice, it will be remembered that about a dozen members of my own party declined to follow me in the division respecting the Nanaimo and Esquimalt Railway, and it will also be remembered, I hope with some degree of shame on the part of the Conservative members of the then House, that while the two leaders, the hon. member for Victoria, the hon. First Minister, and the Minister of Railways, voted to support the Government on that occasion, every man of their followers—was it by instigation of their leaders?—except the British Columbia members, voted against the building of the road from Esquimalt to Nanaimo, though every man of them was committed to the building of it, not only as far as Nanaimo, but to the Narrows by Butte Inlet, showing to what extent partizan hostility will be carried by gentlemen who have only the desire to serve party interests, even in connection with a great question like this. The hon. gentleman now at the head of the Government and the Minister of Railways were both well aware of the strong feeling in this House and out of it against even that compensation which I agreed to in my discussion with Lord Carnarvon, and every one of them, when

Who instigated opposition in 1875 to vote against E. & N. Railway Bill?—See p. 35 Sir John, &c.; Tupper, 43, 63.

* Repudiation doctrine. C. Parliament cannot change Imperial Act.
† What burdens, if interest and sinking fund were paid by Dominion notes, and not from taxes?

* Total paid \$367,655 to December 30, 1880, for construction in B. C. See page 128. Total amount expended on C. P. R. everywhere up to November 30, 1880, \$28,400,402.36, p. 143a; fairness of expenditure with a vengeance.

† New doctrine of repudiation set up. See Morris, p. 129 in 1871; Galt, 120; Mills, Tilley, p. 109.

asked privately, would say: "Yes; the Government ought to be supported." In fact, one of those gentlemen made a speech in which he declared that it should be given, and after the measure was passed made another speech saying that I had done right in the matter.* But what became of all their followers? Why, Sir, every person knows the extreme docility, to use a very harmless word, of the supporters of hon. gentlemen opposite. If I am not wrong, Mr. Chairman, you yourself showed a remarkable instance of that docility a few evenings ago. You were good enough on that occasion to say that such was your affection for your leader, and such your confidence in his statements, that you were quite willing to accept his word instead of the production of documents of public interest to the discussion. Well, Sir, I have no doubt that there are a very large number of supporters of your views on that side of the House, but I say that if that is the case, in this matter a shake of the hon. gentleman's head, who knows how to shake it scientifically on such occasions, would wheel his supporters into line just as readily in support of my Nanaimo Bill as you did in supporting his refusal to produce parliamentary documents. Now, Sir, in pursuit of my object upon the assumption of office, I had to consider what could be done in this matter, and, with my colleagues' assistance, we decided upon sending a mission to British Columbia, to endeavour to obtain their cordial assent to such modification of the terms of Union as we felt might be desirable, the existing ones being wholly impossible. For the first two Sessions, I am pretty sure the Minister of Railways rather supported me in those efforts; and the third and fourth he and his friends found out that they were not under any obligation to keep the terms with British Columbia at all—that it was never intended, although the Order in Council so stated it, to build the road in ten years and commence it simultaneously in two. At all events, when we assumed office some months of the third year had elapsed and the road was not even half surveyed. Only a very small portion of the country had been trodden over by exploring parties, and we were left to fight the battle as we could with British Columbia, and with a general

Mr. MACKENZIE.

hostile minority in Parliament bent upon embarrassing the Government in endeavouring to give effect to their own policy when they were in office. * *

Friday, 14th January, 1881.

Sir CHARLES TUPPER * * *

(Page 453.) It was thought a ruinous scheme to the people whereby hon. gentlemen opposite had 100,000,000 acres at their disposal, and which they said were worth \$3.18 an acre—at least a large portion of it; yet the leader of the Opposition so far forgot himself as to come down to Parliament and ask it to be guilty of a gross violation of the faith of this country. He was a member of the Government that pledged themselves to British Columbia to build its section, and to take two millions out of the Treasury therefor; and now he professes to be much startled at the utter ruin of the country supposed to be threatened by this contract. If he had had one inch of ground to stand on a year ago it was that with these 100,000,000 acres Canada was to be ruined forever by the building and working of the Canadian Pacific Railway; and yet, with that as the postulate, what did he do? He came back and said: "So disastrous will that be to Canada, your going on with that work, that I ask this Parliament to violate the public faith and go back on the pledges which the Government, of which I was a member, gave to the Imperial Government and the Government of British Columbia, and stop at the foot of the Rocky Mountains." * * *

Monday, 17th January, 1881.

Sir JOHN A. MACDONALD *

* * (Page 486.) And he, Sir, took up the same line of policy in essence that we initiated in 1872; and he endeavoured honestly and faithfully, I believe, to relieve his Government and relieve himself and his party from the responsibilities of his position, and of the pledges which were made and which he and those who served under him made, and which were obligations which could not without dishonour be broken, which could not be delayed, which could not without disgrace and discredit be postponed. It was admitted that it was a sacred obligation, it was admitted that

Mackenzie charges Tupper with having found out no obligation existed to keep faith on the terms with B. C. See page 105, 109, 123, 133, 136.

* Sir John held it to be dishonour, disgrace, for Government to break terms, or delay or postpone them. Why does he delay construction on E. & N. and westward?

there was a treaty made with British Columbia, with the people and the Government of British Columbia, and not only was it an agreement and a solemn bargain made between Canada and British Columbia, but it was formally sanctioned by Her Majesty's Government.

(Page 487.) The hon. member for West Durham asked him—I forget the exact question put, but the answer was that he (Mr. Mackenzie) had nothing more to give and that he acted upon his own authority.

Mr. BLAKE. I think the hon. gentleman is mistaken. He refers to the question I put asking for the authority on which the hon. member for Lambton proposed to build the Esquimalt and Nanaimo Branch.

Sir JOHN A. MACDONALD. Yes, that was it. The answer will speak for itself. The hon. gentleman questioned him in regard to the authority to build the portion from Esquimalt to Nanaimo. Mr. Mackenzie answered that he had nothing to ask from Parliament. I ask if that was not the answer he gave?

Mr. BLAKE. No; the answer given to that part of the question was that he had already given notice of the introduction of a Bill to authorize the construction of the railway, which was a different answer to my question. In the same speech I asked the hon. member whether he was going to submit the Carnarvon Terms for the approval of the House, and the hon. gentleman said that in that particular he had nothing to ask Parliament.

Sir JOHN A. MACDONALD. Well, Mr. Speaker, Mr. Mackenzie told the hon. gentleman that he had nothing to ask Parliament for, and it was after that, after he found he was going to get the sullen opposition of the hon. gentlemen, and that Cave of Adullam, which the hon. gentleman had found behind his back, that he whipped Mr. Mackenzie into that statement. I cannot be mistaken. The circumstance is deeply impressed upon my mind. * * * (page 488). The pledge made to British Columbia, the pledges made in reference to the future of the

Dominion, will be carried out under the auspices of a Conservative Government, and with the support of a Conservative party. That road will be constructed, and, notwithstanding all the wiles of the Opposition and the flimsy arrangement which has been concocted, the road is going to be built and proceeded with vigorously, continuously, systematically and successfully to a completion, and the fate of Canada will then, as a Dominion, be sealed. Then will the fate of Canada, as one great body, be fixed beyond the possibility of hon. gentlemen to unsettle.

(Page 490.) We knew the governing policy of the Opposition, enunciated on several occasions, and repeated in this House, during the present Session, by the leader of the Opposition. We know he is opposed to the building of the road through British Columbia; that he has, from the time the subject was brought before Parliament, protested against it, using such language to that Province as—erring sister depart in peace. We know he has ridiculed the idea of forcing a railroad through an inhospitable region, a sea of mountains, that would get no traffic, but be built at an enormous expense and be of no real value. The hon. gentleman has adhered to that policy. Last Session he moved that the further construction of the road through British Columbia, in allusion to the contract given out by the present Government under advertisements published by the late Government, and for the purpose of carrying out its policy, be postponed, as also all action with that object; and I express my regret at the unavoidable absence of my hon. friend from Lambton on this occasion. But, great as I regret that, I still more greatly regretted his humiliation at the time last Session when the hon. gentleman's motion was in your hands. If I were his worst enemy, and wished to triumph over him, I would not desire a greater humiliation, a sorrier fate, or a more wretched ending of a statesman than that, at the whip of the man who had deposed him—of the man who had removed and supplanted him—he should be obliged to eat his own words and vote in favour of postponing the construction of the road through British Columbia—that he should have to believe—I use not the word in an offensive sense—his own advertisement and all

Prediction
that C. P.
will be built.

Secession.

the action of his Government in asking for tenders for the building of that road.

* * * I must say the policy of the leader of the Opposition was avowed and expressed. In the first place his policy as a Minister would be to stop all the work in British Columbia—not a mile would be built—not a train would ever run through British Columbia if he could help it. Not an article of trade or commerce would pass over a line through that Province to the East if he had his will, and that Province would be compelled to appeal to the paramount power, to the justice of the British Government and Parliament, where justice is always rendered, to relieve her from connection with a people so devoid of honour, so devoid of character, so unworthy of a place among the nations, and let her renew her immediate connection with Her Majesty's Government, which would see that justice was done to that long suffering people. That was the policy of the leader of the Opposition with regard to the West.

* * * With our common feelings of loyalty and allegiance to our common sovereign, influenced by all the principles which actuate British subjects to desire to live and die under the British Crown, we should have in favour of this means of connection the pecuniary interests of British Columbia, inclining them to unite more firmly to the rest of the Dominion, all of the Provinces thus becoming one country in principle, loyalty and interest. * * * (page 491)—Now, Sir, the 21st clause. This relates to my constituency and the Province which I represent, and I call the attention to it of my hon. colleague in the representation of Victoria:

"In the event of the Government desiring to postpone or withdraw from the construction of the western section of the said railway, extending from Kamloops to Port Moody, they shall be at liberty to do so at and for a sum of \$3,500,000."

There it is again, no chance for a road running towards the sea to Yale. The hon. gentleman is against a mile of railway being built in British Columbia, and how gladly he would receive those gentlemen whenever they came to say: "Well, you don't want to press us to build this, go on with that now;" and the hon. gentleman would say: "No, we are too glad to get rid of it." * * *

Sir JOHN A. MACDONALD.

* Why did he make no provision for B. C. in Syndicate, as to E. & N. Railway, or Ferry, or Emory, or Moody Section. Why nothing in estimates, for them? Fine sentiments, poor performances.
† True.

Tuesday, 18th January, 1881.

Mr. BLAKE * * * (Page 498.)

At that time hon. gentlemen had more expanded ideas on the subject than they have now. They settled that the terminus should be at Esquimalt; they were going to build the railway across the Narrows, and in that way reach Victoria. That was their plan. An Order in Council is on record showing the hon. gentleman's wisdom and far sighted views. The hon. Minister of Public Works defended that policy; but we do not hear him to-day telling us what a splendid harbour is to be found at Esquimalt.† We have heard a good deal of discussion about the impropriety of abandoning the Island Railway—

Mr. BUNSTER. No.

Mr. BLAKE—I am taking the hon. gentleman's part. I am pointing out to his friends that they are abandoning his cause. I have been accused of destroying that railway very unjustly, though all I did was to record a vote with the minority, along with many hon. gentlemen opposite against it.

Mr. BUNSTER. Your advice has always been to abandon British Columbia altogether.

Mr. BLAKE. I deny that. What I said was that, if the Province of British Columbia insisted upon the bargain as to railway construction being fulfilled according to its terms, which I believed was impossible without ruin to this country, and if so insisting they demanded as an alternative to be released from union with us, I would say, let them go, and I say so again.

Mr. BUNSTER. Well, you have just repented it.

Mr. BLAKE. I never said I wanted them to go. I only said I wanted them to be reasonable, and I am sure if they were all like my hon. and amiable friend from Vancouver (Mr. Bunster) we should not hear so much of this tall talk as we hear from that quarter. Those vast ideas that prevailed in 1871, 1872 and 1873, beginning with the rash and reckless, mad and insane bargain, to commence this railroad in two years and to finish it in ten; going on with the determination that Esquimalt should be the terminus, before they had a survey

Sir John fully admits right of B. C. to appeal to England, and holds England would see justice done to the long suffering people.

Pecuniary interests of B. C. favorable to Union.

Fair talk, but no fair acts.

made at all; going on to let a contract before they had any knowledge whatever; have ended in this rash and reckless and improvident bargain, which is an appropriate remedy for the difficulties in which the Conservative party have been involved since their original fault, in the shifting plans which for three Sessions they have been presenting to accomplish this work. The hon. First Minister says that the Government of the hon. member for Lambton (Mr. Mackenzie) acknowledged that the obligation with British Columbia could not, without national disgrace, be postponed, and, with curious inconsistency, at another portion of his speech declares that the resolution which we passed, and which declared our determination that the work should be so accomplished as not to increase the rate of taxation, was no infringement of the bargain with British Columbia, since it was assented to by its delegates here present, reported by them to the Legislature at home, met with no dissent, and must be taken as part of the bargain. If so, how could there be national disgrace or dishonour in proceedings according to the terms of that resolution? My hon. friend from Lambton, in his address to his electors, previous to the election of 1874, stated that it was impossible to proceed according to the terms of that bargain, that there must be a relaxation of those terms, that we could proceed no faster than the resources of the country would allow, and that British Columbia must be communicated with so to arrange in what manner that could be done. British Columbia was, to my mind, wholly unreasonable. She declined, in effect, to treat, and an arrangement better than which was subsequently discussed might have been then accomplished had she assumed a different attitude. But she stuck to the letter of the bargain, insisted on the pound of flesh, was determined that there should be a commencement within two years, protested because there was not a commencement within two years, and a vigorous prosecution of the work at that. That was the attitude British Columbia assumed, and to which is largely due the small progress which has been made in the accomplishment of her desires. * * *

Sir LEONARD TILLEY * * * (Page 518.) But it is necessary, in order that we may see exactly what our position is, where we stand and what is expected from us in the country, to go back into the early history of this question of building the Canadian Pacific Railway. Sir, the hon. member asked: "Can we sink so low as to ratify this contract?" Let me say that, as one of the members of the Government of 1873, as a member of the House of Commons at that time and as a representative of one of the constituencies of the Dominion of Canada, I feel, Sir, that I am bound—and, I believe, in the interest of this country—to see ratified and carried out the agreement that was entered into when British Columbia was admitted as part or portion of the Dominion of Canada. Sir, we all know, and recollect perfectly well, the discussion which took place in this House in 1871 and 1872 upon this question. We know the opposition that was offered to the admission of British Columbia on the terms contained in the Union agreement, and also the objections which were offered to the proposition to construct the Pacific Railway. Further, we all remember perfectly the conditions which surrounded that proposition by the votes of Parliament and by the Terms of Union, and I say, however, that we, especially on this side of the House, are bound to see them carried out, and I hold that the hon. gentlemen opposite are even more bound than we are to see them fulfilled. What was the state of the case in 1873, when hon. gentlemen opposite came into power? The leader of the late Government, in his place the other night, said the hon. member for Bothwell had intimated that it was quite competent for the Parliament of Canada to have passed a law which would have swept away terms and conditions of Union upon which British Columbia came into Confederation. He took exception to this, and did not concur with the hon. gentleman. He did not believe it would have been right or proper to do so under the circumstances, and held that they had not the right by legislation to deprive British Columbia of any of the terms or conditions contained in the contract. Sir, there was only one way in which this could have been obviated. The leader of the Opposition

Terms to be carried out.

Canadian Parliament Supreme. Repudiation in a new shape! Usurpation preached.

Tilley don't concur in it. See pages 105, 106, 109, 131, 130.

* Never was assented to by Delegates, nor by Legislature of B. C.
 ** Better terms than Carnarvon Terms might have been had by B. C. if she had assumed a different attitude in 1874. See Blake.

stated to-night that he had said to British Columbia: "If it is necessary that we should carry out the Terms of Union with reference to the construction of this railway in all its details, rather than do that, you can go."

Mr. BLAKE—No, I did not. I said if you depend, as the price of that connection, upon these terms, I would say, you can go.

Sir LEONARD TILLEY—Then I would say that that is a distinction without a difference. Sir, when the hon. gentleman was a member of the Government in 1873, and up to February, 1874, did he say to British Columbia, when they had the only opportunity in their power, or the power of Parliament, to take advantage of, in order to relieve them from these terms: "We feel that this arrangement, which was made by the late Government, is too onerous, and that the responsibility is too great, and, instead of carrying them out, we leave to you the option of withdrawing from the Union?" No, Sir; and yet this was the only thing it was left open to the Government of the time to do, if they believed that this contract was one which could not be literally or fairly carried out. As honest men they should have told British Columbia: "We cannot hold to this contract; we cannot but violate these conditions, and we say to you that, if you insist upon it, go in peace." No, Sir, they did not say so, and, in failing to do so, they admitted that the terms that they urged were onerous, and such that they could not be literally carried out by the Government of this country. They looked at the advantages of having British Columbia in the Union, and said: "No; we will not offer British Columbia the choice of going out, but we will make such arrangements and conditions with her as we feel we can carry out; and they bound themselves to terms and conditions which were still more onerous and more difficult to carry out, and imposed a greater responsibility than did the terms in which that Province came into the Union. Sir, what did they do? Though the original terms declared, by the vote of this Parliament, that this road was only to be built on condition that it did not increase the rate of tax-

tion, what did they do, Sir? Why, they increased the taxation of this country \$3,000,000 a year; and for what purpose? In order to enable them to carry out the Terms of Union and construct the Canadian Pacific Railway. And what more did they do, Sir? They came down to this House and passed an Act, in 1874, which provided that, in lieu of what had been previously agreed upon, which was \$30,000,000 and 50,000,000 acres of land, they would give \$10,000 a mile, and 20,000 acres of land per mile, and further to give whatever might be considered reasonable. We will take the illustration made here the other night in the case of the Georgian Bay Branch, in connection with which was also offered 4 per cent. for twenty-five years on such sum as might be named by parties tendering, and land worth, at \$1 an acre, \$30,000 a mile, and, at \$2 acre, \$50,000 a mile. They said, we will give 4 per cent. additional on what sum may be considered necessary, and in the case of the Georgian Bay Branch the Government agreed to pay interest on \$7,500 a mile for twenty-five years; and what more, Sir? They provided for the construction of 120 miles of railway, for which no provision whatever was made by the late Administration, at a cost of \$1,400,000; and did they provide that the land which should be granted should be subject to taxation? Not at all. Provision was made as follows:—

"20,000 acres for each mile of the second sub-section contracted for shall be appropriated in alternate sections, taken along the line of such railway, or at convenient distance therefrom, each section having a frontage of not less than 3 miles or more than 6 miles on the line of such railway; and two-thirds of the quantity—which was 36 million acres—so appropriated shall be sold by the Government at such price as may from time to time be agreed upon between the Governor in Council and contractors, and the proceeds thereon shall be accounted for and paid."

To the contractors, free from any charge of administration, as well as of management, and the remaining one-third be paid to the contractors. Thirty-six millions of the fifty-four million acres were to remain in the possession of the Government, to be sold by them, and not subject to taxation until sold. What is the case under the present proposition:

Sir LEONARD TILLEY.

Did Canada tell B. C. she might recede if she liked? No.

Ibid.

Not so onerous

* Sent Mr.

"The said lands to be of fair average quality and not include any land already granted or occupied under any patent, license of occupation or pre-emption right, and, when a sufficient quantity cannot be found in the immediate vicinity of the railway, then the same quantity or as much as may be required to complete such quantity shall be appropriated at such other places as may be determined by the Governor in Council."

They provided that there should be 54,000,000 acres of land, \$27,000,000 in cash, and \$1,400,000, which amount—admitting the estimate made by the hon. members for Brant and West Middlesex the other night—capitalized makes \$4,376 per mile, or \$13,000,000, and for the branches over \$13,600,000, to be added to the present proportion. Sir, what did they do further than this? They entered into more onerous engagements than existed in 1873. It was found that remonstrances came from British Columbia. Remonstrances were laid, I may say, at the foot of the Throne by the Government of British Columbia. They sent a representative to England, which led eventually to the services of Lord Carnarvon, the then Secretary of State for the Colonies, being brought into play to settle this difficult and important question. What do we find were the terms agreed upon by the late Government in order to settle this question with British Columbia? I have them before me here, and I will read them because they establish most clearly that the proposition accepted by the late Government was more onerous and more expensive to Canada than was the proposition of 1873:

* "1. That the railway from Esquimalt to Nanaimo shall be commenced as soon as possible and completed with all practicable despatch.

"2. That the surveys on the mainland shall be pushed on with the utmost vigour.—On this point after considering the representations of your Ministers, I feel that I have no alternative but to rely, as I do most fully and readily, upon their assurance that no legitimate effort or expense will be spared first to determine the best route for the line; and, secondly, to proceed with the details of the engineering work. It would be distasteful to me, if indeed it were not impossible, to prescribe strictly any minimum of the time or expenditure with regard to work of so uncertain a nature, but, happily, it is equally impossible for me to doubt that your Government will loyally do its best in every way to accelerate the completion of a duty left freely to its sense of honour and justice.

"That the waggon road and telegraph line shall be immediately constructed."

This was no part of the original agreement. It was one of the propositions made to the late Government in 1874; but that was withdrawn, and we find that the late Government agreed that a waggon road and telegraph line should be constructed. The estimated cost of the telegraph line alone was million dollars, which has to be added to the liability agreed to by hon. gentlemen opposite. It goes on:

"There seems here to be some little difference of opinion as to the special value to the Province of the undertaking to complete these two works; but, after considering what has been said, I am of opinion that they should both be proceeded with at once, as indeed is suggested by your Ministers.

"4. That \$2,000,000 a year, and not \$1,500,000, shall be the minimum expenditure on railway works within the Province, from the date at which the surveys are sufficiently completed to enable that amount to be expended on construction. In naming this amount I understand that, it being alike the interest and the wish of the Dominion Government to urge on with all speed the completion of the works now to be undertaken, the annual expenditure will be as much in excess of the minimum of \$2,000,000 as in any year may be found practicable.

"5. Lastly, That on or before the 31st December 1890, the railway shall be completed and open for traffic from the Pacific seaboard to a point at the western end of Lake Superior, at which it will fall into connection with existing lines of railway through a portion of the United States, and also with the navigation on Canadian waters. To proceed at present with the remainder of the railway extending by the country northward of Lake Superior, to the existing Canadian lines, ought not, in my opinion, to be required, and the time for undertaking that work must be determined by the development of settlement and the changing circumstances of the country. The day is, however, I hope, not very far distant when a continuous line of railway, through Canadian territory, will be practicable, and I, therefore, look upon the position of the scheme as postponed rather than abandoned."

This, Sir, was the proposition made by Lord Carnarvon through the Governor General. I will now read an extract from the minute of Council in answer to this proposition:

"The Committee of Council respectfully request that Your Excellency will be pleased to convey to Lord Carnarvon their warm appreciation of the kindness which led His Lordship to tender his good offices to effect a settlement of the matter in dispute, and also to assure his Lordship that every effort will be

Waggon-road.

Cost of telegraph \$1,000,000.

Acceptance of Carnarvon terms, 1874, by Canada.

made to secure the realization of what is expected."

In answer to that, Lord Carnarvon said:

Carnarvon rejoinder.

"It has been with great pleasure that I have received this expression of their opinion. I sincerely rejoice to have been the means of bringing to a satisfactory conclusion a question of so much difficulty, of removing, as I trust, all ground of future misunderstanding between the Province of British Columbia and the Dominion, and of thus contributing towards the ultimate completion of a public work in which they, and indeed the whole Empire, are interested."

Construction on E. & N. Section, suspended by vote of Senate, not dropped.

Now, Sir, this was the agreement entered into by hon. gentlemen opposite, which as I stated before, was certainly more onerous than the original proposition of 1871-72. Well, Sir, the operation of this proposition, with reference to the Nanaimo Branch of the railroad, was suspended by an adverse vote in the Senate. The Government of the day were censured, and especially the leader of the Government. The insinuation was thrown out that he was a party really to the defeat of the proposition, and when Lord Dufferin visited British Columbia he made a statement which, as we all know, could only be made on the responsibility of his advisers. What did he say in defence of the then leader of the Government?

Dufferin Speech Sep. 30, 1876 on Mackenzie.

"I would sooner cut my right hand off than utter a single word that I do not know to be an absolute truth. Had Mr. Mackenzie dealt so treacherously by Lord Carnarvon, by the representative of his Sovereign in this country, or by you, he would have been guilty of a most atrocious act, of which I trust no public man in Canada or in any other British colony could be capable. I tell you in the most emphatic terms, and I pledge my honour on the point that Mr. Mackenzie was not guilty of any such base and deceitful conduct; had I thought him guilty of it, either he would have ceased to be Prime Minister, or I should have left the country."

Then he goes on to speak the opinions and intentions of the Government. He says:

Though E. & N. Bill rejected, though \$750,000 refused, yet Carnarvon in course of fulfilment.

"My only object in touching upon them at all is to disabuse your minds of the idea that there has been any intention on the part of Mr. Mackenzie, his Government, or of Canada, to break faith with you. Every single item of the Carnarvon Terms is at this moment in course of fulfilment." †

Sir LEONARD TILLEY.

(page 520)—Now let us see in what condition we stood in 1878. In that year the obligation rested upon the Government of constructing the Pacific Railway in ten years from Thunder Bay to the Pacific coast, the obligation to spend at least \$2,000,000 a year in British Columbia. This is evidence that the Government intended carrying that out, or else there was fraud and deception, which I cannot believe. We find that, on May 20th, 1876, there was an advertisement published inviting proposals for building the Canadian Pacific Railway. The hon. gentleman read the Canadian Pacific Railway notice of the 20th of May, and continued: "This you would imagine was evidence, as strong as it was possible for any evidence to be, that the Government was sincere, and that they were determined to carry out in 1876, and again in 1878, the contract which they had solemnly entered into, and which was ratified by Parliament in 1874-75 by a solemn compact made by the Government of Canada, to which the Imperial Government was a party—a compact between the Imperial Government, the Government of British Columbia, and the Government of Canada—that this contract would be honourably, honestly and faithfully fulfilled." Well, Sir, down to 1878, when these gentlemen left the Government, no active steps in this direction had been taken. These advertisements had been asked for, and some iron rails had been removed from Vancouver Island to the mainland—evidence on the part of the Government of their intention to proceed honestly and fairly in accordance with the contract they had entered into. Will it be said this was a delusion and a sham? Certainly not; I cannot believe for a moment, I would not insinuate for an instant, that the members of the Administration were not sincerely determined to carry out this work. And let me go a little further. Let me say, Sir—while it has been insinuated that the delay that took place in the surveys was for the purpose of evading, for a time, the responsibilities upon which they entered, I will not say that—I will take it for granted they did everything in good faith in reference to this matter; and I ask the House and the country whether there could be any more binding obliga-

* Ground of misunderstanding still exists.

† Are they?—No.

* Policy 1876 to 1878.

tion on the part of the Government than this obligation to go on when the surveys were concluded, because they form a part of the agreement that the moment the surveys were completed, so as to enable them to locate the road, they should proceed at once with the expenditure of \$2,000,000 a year.* It has been said by the leader of the Opposition that throughout this matter they never lost sight of the original resolution, which provided that the taxation of the country should not be increased, but they did it in 1874, when they deliberately—I do not blame them for it—took upon themselves to change that original resolution and did tax the people of this country to the extent of \$3,000,000 a year for its completion.† That the taxation was increased is a matter of record. It cannot be gainsaid. If the hon. member had been in his place, and I regret he is not, I would ask him why, when the surveys were completed, they opposed this Government in 1880, a year ago, when we brought down a proposition for the purpose of building the road, as printed in the contract they had entered into. I would ask him why they did not give us their support in assisting us to carry out the agreement, and why they moved an amendment here which declared that the contract entered into should be violated by stopping all expenditure in British Columbia, on the ground that the taxation of the country should not be increased. I believe that is the ground he took. Now, I hold that we were not relieved by the circumstances of the country in that respect.‡ They were not relieved by the financial condition of the country. I have in my hand some statements that I have prepared, and I am satisfied that with reference to their accuracy there can be no doubt. They show what the taxation of the people of Canada was at the different periods when this subject was under the consideration of Parliament. What was it in 1871? The Customs revenue for the year 1870 and 1871—that was the year it was first introduced—was \$11,841,104; Excise, \$4,295,944; total, \$16,137,048. The average population according to the Census of 1871, which was 3,485,761, showed that from Excise and Customs, which establish the taxes of the country, was \$4.63½ per head.

Sir RICHARD J. CARTWRIGHT—No; \$2.75.

Sir LEONARD TILLEY. What I have stated is the fact. In 1874, when the late Government came down and increased taxation, what was the result? I have grouped 1873-74 and 1874-75, because the effect of the Tariff then introduced by the hon. Minister of Finance rendered this necessary. In 1873-74 receipts from Customs were \$14,325,192; from Excise, \$5,594,903; in 1874-75 the receipts from Customs were \$15,341,011; from Excise, \$5,069,687, making a total of \$40,340,793; the estimated population was at that time 3,800,000, or an average per head of \$5.31. In 1876-77 the receipts from Customs were \$12,546,987; from Excise, \$4,941,897; in 1877-78 the receipts from Customs were \$12,782,824; from Excise, \$4,858,671, making a total of \$35,130,379; the estimated population at that time being 3,900,000, or an average of \$4.50 per head. The estimates for the current year were: From Customs, \$15,300,000; from Excise, \$5,213,000; making a total of \$20,513,000, with a population of 4,000,000, and an average of \$5.12½ per head. Probable receipts from Customs, \$17,000,000; from Excise, \$5,200,000; making a total of \$22,200,000; average, \$5.55 per head. Now, can it be said by those hon. gentlemen that they were restrained from carrying out their obligations because to do so was to increase taxation? If they had increased the taxation, by the proposition which it was said they contemplated at the time, from 17½ per cent. to 20 per cent., then they would have had the means sufficient to have paid the necessary expenditure and without raising the taxation per head of the population above what it was when they made this engagement. The Government asked for the vote last year for the construction of this road to enable them to fulfil the contract entered into by the hon. gentlemen opposite, and we estimated that our revenue would be \$15,300,000 from Customs, and that the Excise duty would be equal to what it was in 1873-74. We estimated last year that the Customs to be received this year would be \$15,300,000, and the Excise duty \$5,213,000, making a total of \$20,513,000, an average of \$5.12½ less than that

Taxes 1873 to 1878 \$4.50 per head less than in 1871 by 13½ cents.

Current year - 1880 - \$5.12½ or probable receipts \$5.55 per head.

* Tupper delayed a year, 1879, by useless surveys. See note, Trudeau, p. 200, and Fleming Report, September 20, 1881.

† See next column, page 113.

‡ Taxation 1871—per head \$4.63½ in 1873-4; and 1874-5 \$5.31; 1876-7 and 1877-8 \$4.50; 1881-2, per estimates, \$5.12½, and probably receipts may make taxation \$5.55 per head.

Per capita
taxes 1880—1,
less than in
1873—4.

of 1873-74, when they entered into this obligation. Then the hon. gentlemen were found recreant to their pledges to British Columbia, and opposed this scheme upon the plea that it would lead to taxation, beyond what they themselves had placed upon the country, in order to carry this matter out. I cannot believe that the hon. member for Lambton, who I regret is not now in his place, readily and cheerfully accepted the resolution of the present leader of the Opposition. I cannot believe, considering the struggle that he appears to have made, step by step, in order to carry this out, that he readily accepted the proposition of the hon. gentleman opposite. * * * (page 526)—Then this new Syndicate was proposed, and the result is before the House. It is supposed by hon. gentlemen opposite that this will have the desired effect; but, Sir, as I stated at the outset, the Government cannot accept this offer, which bears on the face of it the acceptance of terms at variance with those to which we, as a Government, have been bound since 1871. Would it not be said by British Columbia, if we accepted this proposition, with its conditions, that we were abandoning the work there, and that we had broken faith with British Columbia; would not the people of British Columbia have the right to take alarm, and to feel at once that their position was sacrificed, and that the engagements made by both Governments were to be ignored; therefore, Sir, I hold this proposition cannot be accepted by us, and will not be accepted by the great bulk of the members of this House.

* * * (Page 527.) Practically there was no responsibility in running the railway for ten years from the foot of the Rocky Mountains to Winnipeg and the head of Lake Superior. That might be safely entered upon by those gentlemen willing to invest their money, but if you say to them: "You will be bound to build the road from Lake Nipissing to the Pacific Ocean and work it for ten years," I will guarantee those gentlemen would hesitate before they put a dollar in that enterprise or risk a cent of their money. Under these circumstances, I hold that the proposal submitted is, for practical considerations, fallacious, because it does not accomplish what we are bound to accomplish and desire to see accomplished,

Sir LEONARD TILLEY.

for patriotic and other reasons. I might appeal to hon. gentlemen opposite, who entered into solemn obligations, who directed the representative of Her Majesty to assure British Columbia in such emphatic terms that every provision of the Carnarvon Terms was being fulfilled; and I can imagine what the feelings of Lord Dufferin must have been when he read the proceedings of this House a year ago. I can imagine how he must have felt when he read the proposition of the leader of the Opposition and remembered that he himself had been authorized by that gentleman to assure the people of British Columbia in 1876 that the terms were in course of execution, that he would rather cut off his right hand than be guilty of misleading the people of that Province. I can imagine that the only excuse he could have found for him was the supposition that the taxation of 1879 was as great per head as that of 1874. I wonder what that gentleman will now think of those who authorized him to make such a statement and placed him in such a false and unenviable position. * * *

Sir RICHARD J. CARTWRIGHT
* * * (Page 528.) Now, Sir, the hon. gentleman tells us that he, as a member of the Cabinet of 1873, feels that he is bound to carry out our agreement with British Columbia. What have these two proposals got to do with that? Does the one contract offer to carry out the agreement any better than the other? Both are alike in that respect, for it is well known by every hon. gentleman in this House that British Columbia has never pretended to say that it was interested in the construction of that large portion of the railway north of Lake Superior. He says the late Government were equally bound to carry out that agreement. Well, Sir, all Governments, in a certain sense, are equally bound to carry out an agreement which has been ratified by Parliament and made part of the terms of Confederation. But to say that the gentlemen on this side of the House, who protested from first to last in the strongest possible manner against the terms of that mad bargain made with British Columbia in 1871, saying that they foresaw all the evils, all the difficulties, all the misfortunes which have be-

* Allusion to Lord Dufferin's feelings

as being deceived and misleading B. C.

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fallen Canada in consequence of our representatives having made that bargain without consulting the people, whose instincts would assuredly have led them to reject it—to say that we are morally bound in the same way as that hon. gentleman is bound, is to state a proposition for which, to use his own phrase, there is not the slightest foundation. The only obligation we had in the matter was the obligation which we inherited from those gentlemen who entered into that agreement against our protest and against every dictate of common sense and prudence. The hon. gentleman tells us that we ought to have informed British Columbia that the arrangement should be broken off. We did tell British Columbia that our policy from the first was to fulfill the bargain only to that extent which we found the resources of the people of Canada would warrant. On that point there was no uncertain sound. In the address of the hon. member for Lambton to his constituents, that condition was clearly insisted on. In my Budget Speech, made a few months afterwards, that condition was insisted on in the plainest terms. It was repeated in our negotiations with the British Government. It was stated by myself again and again to Lord Carnarvon. It was stated in the terms as a precedent of keeping faith with British Columbia that we should go to that extent, and to that extent alone, to which we could go in our judgment without unduly burdening the people of Canada. The hon. gentleman tells us we increased the taxation \$3,000,000 in order to build that railway. A more absurd statement was never made by any hon. member of this House. What are the facts? The facts are that hon. gentlemen opposite, before leaving office, had reduced the taxation \$1,250,000; and that for the purpose of providing for the admission of Prince Edward Island into the Union, for the purpose of providing for the interest on the debts of the Provinces, they assumed, for divers increases in the indemnity of the members of this House and the Senate, and for many other things, they had been responsible for the addition of the remaining \$1,750,000. What we did was purely to provide for those unnecessary and foolish additions to expenditure end to make good a por-

tion of the taxation which had been removed by these hon. gentlemen. The whole \$3,000,000, within the merest trifle, was taken up in providing for those deficiencies and those additions which, not we, but those hon. gentlemen, had placed upon the country. To talk of our putting on increased taxation of \$3,000,000 for the purpose of providing means to go on with that road is an entire delusion. We put on those \$3,000,000 to put us in as good a position as we were in when that bargain was made originally with British Columbia, a thing of a totally different character. But the hon. gentleman tells us also that that involved Canada in additional expenditure. What is the fact? Canada had undertaken to build a road of 3,000 miles—because these hon. gentlemen were to go from Esquimalt, not from the much nearer point which we subsequently chose, to Callendar Station, in ten years—and to begin the road in two years. What did the Carnarvon terms do? They cut off very nearly one-third, and, if you measure by value, far more than one-third, of the entire distance—the whole of the 650 miles north of Lake Superior was put to one side. The expensive portion of the road from Esquimalt to the Narrows was likewise thrown aside, so that we had twenty years to do two-thirds of the work which they had undertaken to do in ten years. Were those onerous terms? The hon. gentlemen will have to revise the facts which are disclosed on the Statute-books before they can maintain such an argument as that. * * * (page 529.) So far as the Carnarvon terms went, my hon. friends and colleagues had done all that was in their power to do, lawfully, up to 1878, but they distinctly declined to commit themselves further than this, namely: that they would expend a certain portion of the money in British Columbia, provided always the resources of Canada permitted it to be done. Last year my hon. friend, the present leader of the Opposition, in view of the then financial condition of the country, with a deficit of \$1,500,000, as now ascertained, staring us in the face, in spite of the enormous increased rate of taxation imposed in 1879, was in perfect accordance with the hon. member for Lambton's proposal in the course he took. He had a perfect

The \$3,000,000 diverted to other uses than for Railway.

Advantages of Carnarvon terms.

† It was distinctly stated at the time that increase was to build Railway.

† Up to end of fiscal year 1878 Parliament had voted \$13,393,596, and \$10,803,948 were expended in surveys and construction, but not a dollar spent in construction in B. C. 11—Was that fair? See statement, No. 1.

right to say, under those conditions, that we were in no respect able to go on with that work in British Columbia. Neither then, nor now, nor hereafter did my hon. friend say more than this: "That it was not prudent, in his judgment, that we should go on with the work in British Columbia in the present financial condition of the country." * * *

(page 531) — The hon. gentleman's vivid imagination leads him to wonder what were Lord Dufferin's feelings at reading the proposition advanced by the hon. member for West Durham. I think Lord Dufferin, who understood the situation thoroughly, would have said that when there was a deficit of \$1,500,000 my hon. friend was perfectly justified in saying that Canada was in no respect called upon to go on and spend any money in British Columbia.* Lord Dufferin understood thoroughly the condition of our affairs, and he never expressed any other opinion than that Canada was bound to do as much as she could for British Columbia as soon as her resources permitted, and not before. But I think the hon. gentleman might more wisely have hesitated when he talked to this side of the House about violating compact and about treachery to the country. Why, let him look at Lord Dufferin's despatch laid on the Table of this House, and he will see the terms in which Lord Dufferin spoke of the men who declared on their oath of office and their fealty as Ministers of the Crown, and on their personal honour, that they were absolutely innocent of all the things the hon. member for Shefford (Mr. Huntington) had laid to their charge. I can hardly conceive a more humiliating condition than that in which this strong Government, this Government who boasted of having such a hold in this House, and of representing such an overwhelming majority in the country, now find themselves placed. * * *

Wednesday, 19th January, 1881.

Mr. BERGIN * * * (Page 562.) The people of British Columbia, dissatisfied with the slow progress which this work was making, appealed to the Government of the member for Lambton. They put their grievances before him in the strongest possible terms; and failing

Sir RICHARD J. CARTWRIGHT.

to obtain as readily as they anticipated that meed of justice which they thought ought to be measured out to them, like loyal subjects they went to the fountain head. I hope it will not be considered an Irish bull to say that going to the fountain head they went to the foot of the throne; they appealed to Her Majesty, and as a result obtained what is commonly known as the Carnarvon Terms. We know that the member for Lambton, desirous of meeting so far as he could, so far as he would be permitted by the band of patriots around him, the wishes of British Columbia, sent a missionary to their Province. True that missionary was instructed by the present leader of the Opposition, if I am to accept his word, not to threaten the people of British Columbia, but to persuade them, if he could, to accept the terms which the hon. member for Lambton offered them. They did not accept those terms. Lord Carnarvon interposed his good offices. The recommendation of Lord Carnarvon was accepted by the Government, and they entered into a contract firm and sure, with the people of British Columbia, to spend \$2,000,000 a year as soon as the surveys could be made until the completion of the road from ocean to ocean, across our own territory, by the year 1891. These surveys have long since been made, at all events sufficient to enable them to go on with the construction of the work in British Columbia. The hon. gentleman who then led the Government before his fall advertised for tenders for the construction of the road from Yale to Kamloops. Nay, more, for the purpose, as he said, of showing that he was sincere and honest in his desire to carry out the agreement with British Columbia, he sent up there 5,000 tons of steel rails that there might be no delay. We were told since that he did not mean anything by this, that he was only humbugging the people of British Columbia; but I, for one, do not believe this. I scout the aspersion that has been attempted to be cast upon him in that respect, and believe that he was sincere in his desire to carry out the bargain with British Columbia and the Imperial Government. This Government has carried out the proposition which he made then. The road from Yale to Kamloops is now under construction, and

* Why not in B. C. as well as elsewhere in Canada—money was being spent elsewhere. See pages 139 to 144.

it will be finished, I believe, within the period assigned in the contract. But, if he was sincere, how has it been with others? How has it been with the present leader of the Opposition? He opposed the construction of the Esquimalt and Nanaimo road, but he was not then in the Government. Shortly afterwards he went into the Government, and the *Globe* spoke as follows:—

"Mr. Blake may have felt it his duty to oppose the Government, as, for instance, in the case of the Vancouver Railway. It was just one of those matters which a Government find it necessary to carry out as a legacy of their predecessors, which some of its members might have liked to have seen modified in some of its particulars, but which, perhaps, only a Minister himself, informed on every point affecting it, was fully competent to decide. We rejoice to think that in this and other questions Mr. Blake has accepted the responsibility, as he will also enjoy the advantage of sharing in the councils of his friends in the Government, without in the least fearing that his advice, valuable as it no doubt will be, will in the least degree lead to any measures affecting our good faith towards either the people of British Columbia or the Government of Great Britain."

Thursday, 20th January, 1881.

Mr. WHITE (Cardwell) * * * *
(Page 566.) If, Sir, to-day we may abandon the idea of the Pacific Railway, if to-day we may postpone indefinitely the construction of any portion of that railway in British Columbia; if to-day we may abandon all idea of an all rail route through British territory, connecting the Pacific Ocean with Old Canada, we could have done that at any time during the last seven years, and hon. gentlemen opposite must therefore take this horn of the dilemma that all the expenditures which they made when in office were not the result of meeting the obligations which they had inherited from their predecessors, but were their own deliberate policy, undertaken of their own free will and motion, and for which they are entirely and completely responsible. Parliament last year affirmed the principle, contrary to the views of those hon. gentlemen, that the Pacific Railway shall be built. On the vote which was taken in this House in relation to the British Columbia section, that affirmation was distinctly given. Parliament, by its vote, affirmed that the honour of the country, as well

as its material interests, required that the Pacific Railway should be built through British Columbia. And, Sir, what has been the result since? What has been the decision of the people, the verdict of the people, in relation to that issue presented to Parliament last Session by hon. gentlemen opposite, and accepted by Parliament by an overwhelming majority? We have had nine elections since; three in Ontario, five in Quebec, and one in Manitoba, and what has been the result? At all those elections it is to be presumed that this great question, upon which hon. gentlemen challenged the vote of Parliament last year, was submitted to the electors in those several constituencies, and yet we find not one single constituency which before was represented by a friend of the Government has gone to the Opposition; but, on the contrary, we find that whereas of those nine constituencies four were last year represented by hon. gentlemen who sit upon the other side of the House, now but two are so represented. So that we may fairly say that at the only test which we can have during the term of any Parliament, that of the by-elections, the people acquiesced in the decision which Parliament gave last year, to construct the Pacific Railway as a whole. * * * (Page 571). When they came in, they increased the taxation of this country by \$3,000,000. If they had simply increased the taxation of the country, they might have said that it was on account of the construction of our canals, the completion of the Intercolonial and other public works, which required to be constructed, and which, therefore, involved a necessity for increased taxation. But that was not the state of the case. The statement made by the leader of the Government at that time was to the effect that this \$3,000,000 additional taxation had been expressly raised for the construction of the Canadian Pacific Railway. That statement was made, not on the floor of Parliament, not as a hustling speech, but it was made in an official document for submission to the Imperial Government, a document in which, if anywhere, it seems to me a public man in this country ought to be exceedingly careful and accurate in the statements he ventures to make. It was made for the purpose of inducing the Imperial Government to

Increased taxation, 1874.

Statement of object of increase of taxation.

Official document submitted to Imperial Government, or capitalists, or both.

acquiesce in the proposition that this Government were doing everything they could to implement the bargain with British Columbia. Here is one statement made in the report of the 23rd of July, 1874, being a Minute of Council prepared, I venture to say, by the then First Minister himself:

Increase of
taxation for
C. P. Ry.
construction,
in B. C. and
elsewhere.

"So anxious, however, were the present Government to remove any possible cause of complaint, that they did take means to increase the taxation very materially in order to place themselves in a position to make arrangements for the prosecution of the initial and difficult portions of the line, as soon as it was possible to do so."

And then, in order that there might be no doubt as to the precise amount they had added to the taxation for this purpose, another Minute of Council, of 8th of July, 1874, used these words:

See Cart-
wright's denial
p. 114, 115,
116 \$3,000,000.

"In order to enable the Government to carry out the proposal, which it was hoped the British Columbia Government would have accepted, the average rate of taxation was raised at the last Session about fifteen per cent. and the Excise duties on spirits and tobacco a corresponding rate, both involving additional taxation exceeding three millions of dollars on the transactions of the year."*

Monday, 24th January, 1881.

Mr. ANGLIN * * * (Page 630.) Hon. gentlemen opposite bound this country, so far as they could by words, Act of Parliament and Imperial Proclamation, to commence that whole road within two years and finish it within ten. The Carnarvon Terms bound the Government, as far as they could, to finish, not the whole of the road, but that portion from Lake Superior to the Pacific, within a very much longer period. It is sometimes said that the obligation to expend \$2,000,000 per annum in British Columbia was a condition far more onerous than any implied in the original terms. But even that is a very great mistake. My own impression is that the hon. member for Lambton, in agreeing to that condition, committed a serious error. I do not believe he should have bound even himself, though he considered he was acting within the original terms of the bargain, to any such expenditure; but it was not adding to the burden of the original terms even to agree to spend \$2,000,000 per

Mr. WHITE (Cardwell.)

annum within British Columbia, for a smaller expenditure in that vast mountainous region could not possibly have brought the works to completion within a shorter time than the time specified. We thought it well to adhere as closely as possible to that declaration—for it was little more, after all, than that made by this Parliament immediately after the bargain with British Columbia was concluded, that the road should be so built as not to add materially to the weight of our taxation. * * *

Mr. GIROUARD (Jacques Cartier) * * * (Page 637.) I am aware that in 1871 the House of Commons passed a resolution restricting its obligation to build the railway. I know that the policy laid down in that resolution was to the effect that the construction of the Canadian Pacific Railway was to be prosecuted so as not to increase the rate of taxation upon the people. This was then the policy of this country. It was reaffirmed in the Statute-book of 1872 and 1874. I know all that. But did British Columbia ever assent to this serious restriction? Was it inserted in the Terms of the Union? No, Sir, and I venture the hon. members will not contradict me in this respect. By the terms of the British North America Act of 1867 it was provided that British Columbia could enter Confederation upon such terms and conditions as will be expressed in the addresses of British Columbia on the one part and Canada on the other. Now let us see what these addresses provide about the construction of this railway:

"The Government of the Dominion undertake to secure the commencement simultaneously, within two years from the date of the Union, of the construction of a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected east of the Rocky Mountains towards the Pacific, to connect the seaboard of British Columbia with the railway system of Canada; and, further, to secure the completion of such railway within ten years from the date of the Union."

Not a word is to be found about the rate of taxation which the construction of the railway might produce. Canada has undertaken unconditionally to build the railway within ten years. And has British Columbia ever since given her consent to any change of those terms, at least in this particular? No, Sir, by the

Carnarvon Treaty she has consented to an extension of time, but not to the resolution of the House of Commons in 1871. To-day, as before, we are bound to build this railway within the next ten years. If we desire to meet our engagement, if we care for the honour and credit of this country, the railway must be complete in 1891* without regard to its cost nor to the increase of taxation which it will necessarily involve. Seeing this positive and clear obligation on the part of Canada, Mr. Speaker, I was greatly surprised, I was amazed, to hear the other evening the hon. leader of the Opposition declare here solemnly to this House and to the country that if British Columbia did not wish to be reasonable† we should let her go. What would the hon. gentleman say to a solvent client who would ask his advice as to whether he should pay his promissory note for \$100 in full or only in part? Would he advise him to offer only \$25 and recommend him to let his creditor go if he was not willing to accept this and thus be reasonable? † The position of British Columbia is just the same. She is our creditor; she insists upon the fulfillment of our engagements, and, Sir, we cannot refuse her demand without repudiating our obligation and bringing dishonour and disgrace upon our country. But we shall not follow the advice of the hon. gentleman. We shall keep good faith with British Columbia. We shall build the road in the manner and within the time fixed by the agreement. * * *

Tuesday, 25th January, 1881.

Mr. McCARTHY * * * (Page 696.) Ten years ago we pledged ourselves to British Columbia to build this railway within a period which is now elapsed. Moreover, there was a resolution passed by the House that this work should be done, subject to the condition that it did not increase the taxes of the people. I remember that the Government of the hon. member for Lambton, after the attempt made by the previous Administration to construct the road, by means of the Allan contract, had failed, the Government, I say, did not propose to do then as they might have done, to abandon the connection with British Colum-

bia if they thought the terms were too onerous and the bargain was impossible to fulfil; but instead of that they adopted it and made terms with British Columbia and proposed to pay a compensation for the delay, which they said was inevitable in carrying out the bargain and in building the road within the period of ten years. After that dispute had been referred to the Home authorities, and after Lord Carnarvon had accepted the burden of settling the dispute between British Columbia and this Dominion, we know that the late Administration accepted the terms proposed by Lord Carnarvon, that they agreed to go on as soon as the surveys were completed, and expend \$2,000,000 a year in British Columbia; that they agreed that the work, as far as Lake Superior, should be constructed by the year 1890; that it should be prosecuted speedily and without delay; and now I want to know how any hon. member, if he thinks the work can be done by the means the Government has proposed, can say that because British Columbia is weak, because her representation in this body is not powerful, that, therefore, her contract is to be treated with contempt, and that we are to violate the treaty we made with her? The hon. leader of the Opposition told us only last Session, when it was proposed by the hon. member for Algoma to appoint a Committee with regard to the disputed boundary between Ontario and the Dominion, that in honour this country was bound to stand by the award that had been made, that it was almost dishonourable in this House to ask for information before agreeing to sanction that award. And yet that hon. member does not hesitate to ask the Liberal party to postpone indefinitely the carrying out of the contract which was made in 1871 with British Columbia, endorsed by the Liberal party in the acceptance of the Carnarvon Terms, and which can now be implemented without increasing the burdens upon the people of the Dominion. I am in favour of the policy of the Government in constructing a road from end to end in British territory with the least possible delay, so long as it can be done without increasing taxation, as under this contract it can be done. Under these circumstances, therefore, we are bound to fulfill this contract with British Colum-

* 1890 is Carnarvon terms. 1891 is Syndicate term.

† New way to pay debts.

** See Carnarvon's despatch "reasonable."

bia, if for no other purpose than to keep good faith with that Province. * * *

Monday, 31st January, 1881.

Mr. BUNSTER asked why it was that Port Moody had been made the terminus in British Columbia in place of Esquimalt, as originally intended.

Sir CHARLES TUPPER said the Government is extending the road to Port Moody were doing as much as the finances would allow. But they had to go to Port Moody before going to Esquimalt. They were moving in the right direction.*

Tuesday, 5th March, 1881.

(Page 1266.)

IN COMMITTEE OF SUPPLY.

8. The Department of Interior, ...\$54,580 00
9. The Department of Indian Affairs 17,500 00

Railway reserves land V. I.

What surveys does he mean? Railway surveys made.

Nonsense B. C. acts are right p. 256.

Not prepared to survey yet, that is, the land must remain closed to settlement.

Mr. BUNSTER. I desire to ask the leader of the Government what he intends to do with respect to the twenty mile belt of railway lands in Vancouver Island, through which no surveys had yet been made.

Sir JOHN A. MACDONALD. I am not quite sure we have got the land yet. There is a provision in treaty with British Columbia for twenty miles to be reserved on each side of the railway; but there is a difference of opinion between the Premier of British Columbia and myself as to what that means. I take it that we are not to measure land up hill and down dale, but twenty miles of land fit for settlement. We have not arrived at that point at which we feel ourselves justified in spending money in surveys there; but I hope we will come to some arrangement. In the Fraser Valley a good deal of land was taken up long ago. I am happy to believe that a good deal of the land is very rich in minerals, and perhaps we may be able to make it valuable for its mineral wealth. I am afraid of arable land we will not get much in the Fraser Valley. Pretty much all of the good land has been taken possession of either by white men or Indians.

Mr. BUNSTER. I differ most emphatically from the Premier, who, I think, has been accepting advice from

Mr. MCCARTHY.

* "To go to Port Moody" implies building from the east. Terms of Union require Railway to be built from Pacific Coast.
† Evasion. See O. C. June 7, 1873 p. 273. "sufficient conveyance." The Union terms are sufficient without other Act.

the hon. member for West Durham (Mr. Blake). I assure the hon. gentleman there is a good deal of good land in British Columbia, and that among the land reserved by the Dominion Government for railway purposes. I know from personal observation there is a great deal of good land there fit for settlement. There is no one, however, to whom settlers can apply for information. There is no land office all over British Columbia. In the railway reserves and within 100 miles of Victoria, there is good land. The reason why there is no emigration to British Columbia is simply because the railway lands are locked up in the hands of the Dominion Government, and there is no one to dispose of them to settlers. I ask the hon. the Premier to give the matter his serious consideration, and see that no injustice is done to the Province.

Sir JOHN A. MACDONALD. I do not mean to say there is not good land on Vancouver Island. I believe the Cowichan Valley is very good land indeed. I do not know its dimensions, but it is a fine valley, I am told, and that it is beautiful and romantic as well as being fit for settlement. At the upper end of the Island there are very desirable coal mines, which were reserved by the British Columbia Government.

Mr. BUNSTER. At your request.

Sir JOHN A. MACDONALD. No doubt. It has been reserved by the Act, and the Government of Canada has not yet surveyed or laid out the land or disposed of it. I hope the matter will be settled during the present year with the British Columbia Government. That land having been conveyed to the Dominion by an Act of the British Columbia Legislature, it must be ratified by the Parliament of Canada.† As to the mainland, I am very glad indeed to believe the hon. gentleman that there remains still valuable land in the valley of the Fraser. I was under the impression that the settlers who have gone in there had taken possession of the most valuable portions of the valley. Of course, we will try to take all the good land we can. We have a right to twenty miles on each side of the line of railway, and I earnestly hope that the hon. gentleman is correct in his

statement that this forty miles tract contains very valuable land.* Until the line of railway was settled, we did not know where our lands were at one time. Hon. gentlemen have said that it was at Bute Inlet. My mind ran strongly in that direction. Twenty miles on each side of the line up there would run through quite a different country, and hand over quite a different section of land.† If the Fraser is selected, we must try to get our lands there somewhere. I dare say that British Columbia will agree that we are to get our reasonable quantity of land in consideration of the building of the road.‡

Mr. BUNSTER. British Columbia did not agree that you are always to keep the lands locked up without utilizing them. I would also like to know if the Government intends to keep the lands on Vancouver Island locked up for ever. I consider the Syndicate agreement has done a great injustice to Vancouver Island.†

Sir JOHN A. MACDONALD. If I am able to go to British Columbia this summer and enjoy the hospitality of my hon. friend, I hope to have his assistance with the Local Legislature to settle all these disputes.

Mr. BUNSTER. You ought to have been there before.

Mr. BLAKE. I suppose if the land on Vancouver Island has been appropriated by the British Columbia Legislature it is competent for that Legislature to undo what they have done and to repeal the Act they have passed. I think my hon. friend is rather anxious that the Government would retain the twenty miles on each side of the line, as far as I can see. There appears to be a disposition on the part of Vancouver Island to have some sort of understanding that the land shall be kept by the Dominion, because I think there is a slight condition attached to the retainer of that twenty miles of land, there is a trifle of railway to be built as the condition.‡ As allusion has been made for the second time to the dispute between the Government of British Columbia and the Canadian Government on the subject of the land which we have a

claim to, I would like to know the nature of that dispute. The hon. gentleman, as far as I can understand him to-night and on the former occasion, seems to say that the question was not whether, in the measurement of the land, we should measure down the hill or up the dale, &c., in order to find where the twenty miles would reach, or whether it should be measured so as to obtain twenty miles on a level. I do not know how far he would have to go to get twenty miles on the level, or what amount of country he would have to go over. But I had supposed from statements in the newspapers on the subject that the dispute had assumed even more formidable proportions than that. I suppose there is a disposition on the part of the Dominion Government to have land reasonably fit for settlement, or is it the intention that all the land shall be taken within this twenty mile belt, whether it be rocky or unfit for settlement?

Sir JOHN A. MACDONALD. In the treaty unfortunately the quality of the land is not specified. It is merely stated that it should be twenty miles of good land. My contention is—and I fancy the hon. gentleman is not altogether unreasonable—that as we agree to pay a certain sum annually for that grant of land it must be land fit for something. I do not suppose we could insist upon its being first quality, but that it should be fit either for settlement, arable land, or pasture land, or mineral land, that it should be land worth something.† We should get something for the annual sum of money we have to pay for the land. That point has not yet been acceded to by the Government of British Columbia; we are still at variance upon it, but I think that that Government will be reasonable. Of course they can repeal that Act, but very probably they consider that it is a statutory title in reserve, otherwise they could properly deprive us of it without our consent.

Mr. BLAKE. As to the land in British Columbia, you say to them: "We ask for bread and you give us a stone."

Sir JOHN A. MACDONALD. Yes, I am afraid we are going to get a stone.

* How does this agree with Trutch clause. See page 239, 260.

*** B. C. Government conveyed it by Statute, page 258-9 in 1880—a year ago.

† Syndicate agreement, injustice to V. I. ‡ E. and N. Railway to be built, as one condition of holding lands on V. I.

§ See Pamphlet, p. p. 221 to 225, for explanation.

** On Bute route, better land.

Mr. BUNSTER. The hon. gentleman for West Durham is mistaken in thinking that the land is rocky, as he has always represented it to be.

Mr. BLAKE. The Minister was saying it was rocky, not I.

Mr. BUNSTER. He got his information from you. For 160 miles along Vancouver Island there is not one rock. There was, some time ago, a very incorrect map drawn up of the country by the Premier's confidential agent—a part of the country where he has never been. It was represented as rocky, and the hon. member for West Durham, on the floor of this House, held that map up, saying that there were more rocks there than anything else.

Mr. MILLS. I should be sorry myself to see that map receive the public sanction, because I do not think it is reliable. I think that, however proper it may be for a private individual who has no special responsibility to issue such a map, it is hardly well that the Government should in any way make itself responsible for the circulation of a map of that kind.

* Pope replied that \$3,000,000 is for Onderdonk's contract: none for Moody and Emory Section, or Surveys or on Seaboard.

EXTRACTS from the Debates of the Senate of the Dominion of Canada,
3rd Session, 4th Parliament, 1881.

THE SENATE.

Thursday, February 3rd, 1881.

The Speaker took the chair at 3 p.m.

PACIFIC RAILWAY BILL.

SECOND READING.

Hon. Sir ALEX. CAMPBELL * * * (Page 113.) I am afraid I shall not be able to present it to this House in any new aspect, or offer to you many arguments or reflections which have not already occurred to you, but, representing, with my colleagues, the Government in this House, we feel that I should be wanting in that duty and respect which we owe to the Senate if I did not offer such observations as seemed to me neces-

Mr. BUNSTER.

Thursday, 10th March, 1881.

(Page 1320.)

IN COMMITTEE OF SUPPLY.

70. British Columbia..... \$3,000,000 00

Mr. MACKENZIE. I asked for information regarding this item, whether any change was to be made in the grades and curves between Yale and Moody, whether any change has been made by which it is proposed to let this by contract now, or whether the entire amount is for the contracts already let in British Columbia.

Mr. POPE. It is believed the curvature and the grades can be kept as they are. The amount of \$3,000,000 is for that contract which is let. *

Mr. ANGLIN. We were told the expense of the work has been reduced. In what way had it been reduced?

Mr. POPE. By the change in location, not by reducing the grades and curvatures.

sary to a separate and distinct and complete consideration of the measure in this branch of the Legislature. The facts are well known to the House. I will not enter into any lengthy historical resume of them. They are to be found recorded in acts of parliament, in treaties, in official correspondence, and in speeches of different members of three successive governments, sustained in parliament for different periods since the Union with British Columbia. I will almost take it for granted that it will be admitted in this House, and so far as regards this discussion, that the country is pledged—pledged in every way which can impose obligations on public men—to the construction of the Canadian Pacific Rail-

* B. C. Union qu

Sir Alex.
Campbell's
Syndicate
Statement
on C. P. R.

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* Out of \$24,693,000, in
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† Not a word of E. ad
‡ Total interest at 4 p
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§ Basis of Taxation.

way from some point upon the existing system of Canadian railways to the Pacific Ocean. * * * (Page 119.) But what I wish to call attention to is the fact that the country is at present, without this Bill, committed to the expenditure of \$24,693,700 made up as follows:—

Lake Superior to Selkirk.....	\$14,705,000
Pembina Branch.....	1,556,000
* Kamloops to Emory's Bar.....	8,431,800

Total constructed or under contract \$24,693,700

Which will leave the amount of money dealt with by the present Bill, and which Parliament is now asked to commit the country to, \$28,306,300, of which \$25,000,000 go to this company and \$3,306,300 to construct the railway from Emory's Bar to Port Moody.† The total expenditure in money, however, from beginning to end, will be, as I have said, \$53,000,000. The interest, at 4 per cent., upon this sum, amounts to \$2,120,000, but take the expenditure to which we are committing ourselves by the present Bill, and which, as I have shown, is less than \$29,000,000 (the other \$24,000,000 representing contracts already entered into, and the Pembina Branch, already constructed) the interest upon this amount, which, for the purpose of this calculation, I will put at \$30,000,000, would be \$1,200,000 per annum. Against this, let me suggest for a moment the probable result of the peopling of that country by immigrants, and the probable result to the revenue of its settlement, even in its infancy. I have before me a statement of the revenue per capita of the country.‡ It amounts in some of the Provinces to \$3.06 per capita; in some to \$3.05; and in Manitoba and British Columbia, where the consumption of goods is more in proportion to the population, the amount is larger, being \$9.14 in Manitoba and \$10.32 in British Columbia. Suppose we divide that by half, and say the revenue from settlers in the North-West will be \$5 per head, 100,000 settlers would yield \$500,000 to the revenue and 500,000 would yield \$2,500,000, which would be more than the interest on the whole cost of the railway—\$53,000,000. Supposing that through the exertions of this Company which they are obliged to put forward,

because the success of the enterprise depends upon the rapidity with which they settle their lands, suppose through their exertions that in three years 500,000 people are settled in the North-West, we would get a revenue from them of \$2,500,000 per annum. * * *

Hon. Mr. SCOTT * * * (Page 127.)

I agree with the observations with which he* opened his speech to the House in reference to the obligations we entered upon in 1871 with British Columbia, but the fact that we are now, at a period of ten years from that date, discussing the project of the Pacific Railway must be the best possible evidence that the proposal of the Government of that day was entirely premature; that the circumstances of the times did not warrant the promise made to British Columbia, when that Province came into the Union, that Canada would, within a period of ten years, construct an all-rail route from the Atlantic to the Pacific. We find ourselves, at a period of ten years from that date, now discussing seriously a proposition to build this railway; for, practically, to-day, in the direction of British Columbia, we have not any consecutive line of railway, beyond that very short portion that extends westward from Winnipeg of the first hundred miles, and the portion from Thunder Bay to Selkirk that is still incomplete. No evidence could be stronger that the proposition of that day was an extremely imprudent and hasty one on the part of this country. In accordance with the treaty I recognize that it is the duty of this country to build the railway, but to build it only so fast as the circumstances of the Dominion will warrant. * * *

(Page 152.) Although our railways in the east are not profitable public works, none of us are forcing the Government to get rid of them. The tide is now in the west, and these rich prairie lands, now held at such comparatively low figures, would vastly increase in value were they opened up by an all-rail route, owned and controlled by the Government, from the Atlantic to the Pacific. This House ought not to hesitate if they think it is in the best interests of the country to reject the proposition now be-

E. and N.
Section cost
\$9,500,000
interest at
4 per Cent.
making total
interest
\$3,800,000.

Frank admis-
sion of the
wrong done
to B. C. not
a mile in
operation
in B. C. in
1881.
February 3.

* Sir Alex. Campbell.

* Out of \$24,693,000, to which Canada is committed, \$8,431,800 is for B. C. But out of \$18,600,400 Nov. 30 1880, expended, only \$367,655 had been expended in B. C. up to Dec. 31, 1880. See page 143 and 104-5.

† Not a word of E. and N. Section or extension to English Bay or Ferry.

‡ Total interest at 4 per Cent. on \$53,000,000, \$2,120,000 to be recouped in taxes from B. C., N. W. T., Eastern Provinces, and Land receipts in N. W. T.

† Basis of Taxation.

Violation of
Carnarvon
terms by
Senate.

See pages 35,
39, 40, 41,
63, Scott Ex.
Sec. of State
concur in
defeat of
E. & N. Bill.

Scott throws off
his mask worn
in 1875 on
E. & M. Bill.

fore them. Did they not interfere with the policy of another Government on a former occasion? Did they not interfere with that policy though it had been ratified and approved by a member of the Imperial Government, who assumed to himself, as between the Dominion and the weaker province, the position of arbitrator? When the late Government accepted that arbitrament and brought in their measure for the construction of the Esquimalt and Nanaimo Branch, we know how this House dealt with it. They threw it out. I do not hesitate to say that the Senate acted properly in throwing it out. Governments sometimes make mistakes just as individuals make mistakes, as I believe this Government to-day is making a very grave mistake, but I believe governments ought to rise superior to the feelings of the hour and to stand corrected when they are shown that their policy is wrong. I have never hesitated, personally, in private life, or publicly, in my acts of administration, if I found that I had made a mistake, to take it back. In the accumulated light that we have gathered the last few years I believe that the Senate acted wisely, and in the interests of the people of this country, when they rejected the Esquimalt and Nanaimo Bill, and, if it is still true to the interests of the people, it will exercise the same wise discrimination in regard to the Bill now before the House. * * *

Hon. Mr. CORNWALL (Page 174.) I hope it may not be considered presumption on my part to rise and address the House in immediate succession to the distinguished gentleman who, before six o'clock, took his seat after an address which had extended over three days. * * * I was surprised—I will not say surprised—but my attention was attracted at the outset of his speech by a remark which he made, a remark not made for the first time, a remark often repeated by him, but a remark very significant of his peculiar views; it was that the lapse of ten years since the bargain with British Columbia as to the commencement and completion of this railway was first made without any very particular progress having been made, was a sufficient proof of the folly of that bargain and of its premature character.

Hon. Mr. SCOTT.

The hon. gentleman did not, however, produce an argument in support of the assertion which he thus made, but, notwithstanding that, I think it is a subject on which I might well spend a few moments, to enquire whether really the lapse of this time shows the bargain thus made was an unwise and premature bargain, or whether we may not, perhaps, more correctly, lay the blame of the delay which has taken place on the shoulders of a particular party of politicians in this country. We all remember that within two years after the ratification of this bargain with British Columbia the charter which is known as the Allan charter was given out by the Government of that day. We all know that Sir Hugh Allan went to England to raise the money that was to enable him to carry out the undertaking which he had engaged to perform; we all know that he failed in the mission which he thus undertook to England, and for this failure of his mission there was one of two causes: either this failure arose from the perverse opposition which was given to him and to the persistent opposition offered to the whole undertaking, by a certain party in this country, and by a certain portion of the press of this country, not only here, but by their agents in England; or, on the other hand, the failure of his mission to England occurred because the charter which he had obtained did not contain sufficiently favourable conditions to induce capitalists to back him in the undertaking which he had entered into to construct this enormous work. Now, if my first view is correct, that it was owing to the opposition that the building of the whole of the Canadian Pacific Railway received at the hands of a certain party in this country, then, it is a fact that for that opposition and for the failure of Sir Hugh Allan's mission, a certain portion of the press and people of this country is responsible, and that is the portion who are now in opposition to the Government which is now entrusted with the administration of the affairs of Canada, and in this way we may account for three years of the ten which have elapsed since the bargain with British Columbia was first made. What shall we say, then, of the succeeding five years, the five years in which the party of

* Five.

the hon. gentleman who has made this long address to us was in power? What is the history of that five years in connection with the building of this great enterprise of the Canadian Pacific Railway? Is it not acknowledged throughout the length and breadth of the country that those five years were frittered away in attempts to inaugurate some different policy with regard to this great question than that which had been initiated by the preceding Government? Were not those five years frittered away in still more culpable attempts to waste the time of the country, in attempts to blind the people as to the intentions and policy of the Government in reference to this great question? Was it not during that time that the hybrid policy, if I may so term it, of land, water and rail communication with the North-West was first inaugurated? Was it not during that time that numerous surveys and explorations in British Columbia were commenced and carried on although it was known on all sides that those surveys and explorations, to a great extent, must result in failure? Was it not during that time that large sums were thrown away in the construction of useless locks and works, and in the purchase of unnecessary plots of land, and that all this seemed to be done simply with the object of throwing dust into the eyes of the people—with the object of blinding the intelligence of the people as to the absolute want of policy which characterized the acts of the Government? So, five years were spent, and in connection with the three years to which I had already alluded, occupying eight out of the ten that have now elapsed since the completion of the bargain with British Columbia. For the remaining two years what have we to show? There are now at present under construction some 600 or 700 miles or it may be some miles more, of the total length of the Pacific Railway, and of those 700 miles a portion is already approaching completion, while with reference to the remainder of that long line we have now before us the scheme which is embodied in the Bill which we have been re-considering, and which seems to me, at all events, to be a sensible and practical scheme. I think it would be useless in me to say anything further to show there is nothing to support

the assertions of the hon. gentleman who last spoke, as to the fact that the bargain which was made with British Columbia, in the first place, was an unwise and premature bargain, because, if any blame in the matter whatever attaches for the delay which has occurred it must be altogether on the shoulders of the party of which the hon. gentleman is a prominent supporter. * * * (Page 176.) Although the hon. gentleman did not refer to the whole of the line with reference to this particular point, yet he was careful to say, as regards one particular section of that line, that there was no possibility of its ever being a paying concern. Of course the part of the line to which the hon. gentleman referred was the western portion of the central section, and what is known as the western section proper, both of which are in British Columbia. I know that the hon. gentleman, although he makes this assertion, has no special knowledge of the Province of British Columbia. He has never been in that province, and therefore it has not been in his power to inform himself very particularly as to the characteristics of that country. I think, further, that he has never been so far west in the Western States belonging to the United States as to be able to appreciate from what he has himself observed the wonderful change that is brought about in new countries when they are permeated by new lines of railways, such as that we propose to commence to build through our own North-West, and through British Columbia. I should rather fancy from the remarks which fell from the hon. gentleman on a question like this that his experience has been confined to his own immediate neighbourhood. * * * (Page 178) With reference to British Columbia there is another point to which the hon. gentleman made some allusion and to which I feel somewhat loath to refer to myself, although I feel called upon to do so. I confess that I sat horror-struck in my seat when I heard the hon. gentleman refer to the fate which the Bill for the construction of the Esquimalt and Nanaimo Railway met with in this House; and when he expressed the belief that the Senate had taken on that occasion a right and proper course it flashed upon me in a moment that at last we had heard the

True reason
why E. & N.
Bill was
thrown out.

* Five years frittered away.

† Character of Surveys.

true cause of the fate of the Bill; it flashed upon me at once that there was a confirmation of those suspicions which we had always held with reference to that unfortunate Bill, and I thought the hon. gentleman had, from his own mouth, convicted himself of having been instrumental in introducing to this House a bill which the Government of which he was a member was willing to have defeated.

Hon. Mr. SCOTT. I was speaking of what the experience of a few years does, and how, looking back upon the past I was not prepared to say that the Senate had not acted wisely and right in rejecting the Bill. I hope the hon. gentleman does not mean to insinuate that I did not act honourably on that occasion; I hope he does not insinuate that I did not try to have that Bill passed. If the hon. gentleman does take any such stand as that I think he is going beyond the Parliamentary rule. I do not think he has a right to accuse me of falsehood or treachery to my own party. The hon. gentleman knows very well that every supporter the Government had in this House on that occasion voted for that Bill.

Hon. Mr. CORNWALL. No.

Hon. Mr. SCOTT. All, with the exception of Mr. Penny.

Hon. Mr. AIKINS. Two voted against it. You would have had a majority if two of your own supporters had not voted against the Bill.

Hon. Mr. SCOTT. I do not think that justifies the hon. gentleman in making a charge against me that I acted deceitfully, that I was guilty of falsehood or treachery. If I had been, no language would be strong enough to condemn or characterize such conduct.

Hon. Sir ALEX. CAMPBELL. I do not think the hon. gentleman does.

Hon. Mr. CORNWALL. The hon. gentleman thinks that I am not justified in putting the exact interpretation on his language that I do. But, if we look back for a few years and recollect the circumstances under which that Bill was defeated, I think the majority of this House will agree with me that I was perfectly

Hon. Mr. CORNWALL.

justified and perfectly right in saying what I have already stated with reference to this matter. I will try to recall to the minds of hon. gentlemen what did actually occur on that occasion. The Bill was introduced at an evening sitting towards the close of the Session of 1875. That Bill called for authority to construct the Esquimalt and Nanaimo Railway. It was introduced by the hon. gentleman himself, who was then Secretary of State and leader of that Government in this House.*

Hon. Mr. SCOTT. The Hon. Mr. Letellier was leader then.

Hon. Mr. CORNWALL. At all events the hon. gentleman was a member of the Government, and introduced the Bill himself, and I remember well the lame, short and impotent speech with which he introduced that Bill, and yet that Bill was brought forward in order to carry out one of the most solemn obligations into which the Government of which he was a member had entered.

Hon. Mr. WARK. Do you remember the speech your own colleague made?

Hon. Mr. CORNWALL. If the hon. gentleman will refer to the report of that speech, it will be seen that what I have said is substantially correct. The speech was on an important motion, and yet the report of it does not occupy one column of printed matter. It had no argument of any sort or kind enunciated in support of the Bill which he brought forward. All he said was, that he had the honour to propose the second reading of a Bill in order to carry out the arrangement made by the Government, and when my hon. friend, the present Minister of Inland Revenue, got up and proposed an amendment to that motion that the Bill should not then be read, but be read that day six months, what course was pursued by the then Secretary of State? He never exerted himself in the slightest degree; he never lifted up his voice or held up his finger in support of this Bill, but sat contentedly in his place and allowed his own supporters to vote down the Bill.

Hon. Mr. SCOTT. No.

Hon. Mr. CORNWALL. I repeat, he allowed his own supporters to vote down

See also page
35, 59, &c.
63, 43.

* E. N. B. Bill introduced by Scott.

the Bill which he had himself introduced, and which he was bound to see through if he could possibly do so. That is a true statement of what happened on that particular occasion.

Hon. Mr. SCOTT. No, no.

Hon. Mr. CORNWALL—I regret that what has occurred now substantiates my suspicion as to what led to the defeat of that Bill. I would like to know what our late Governor General, Lord Dufferin, would think of this matter if it was brought to his knowledge. Lord Dufferin himself, in private conversation with me—

Hon. Mr. SCOTT. Order.

Hon. Mr. CORNWALL. I am quite in order. Lord Dufferin always expressed himself strongly on this point, and in one of the notable speeches which he made while holding a position here—a speech to the people of Victoria and Vancouver Island—he took it upon himself to say that if he had the slightest idea that on the part of his Ministers there was any duplicity with reference to this particular Bill, either they would have been dismissed, or he himself would have left the country. I hope the matter never will be brought under his knowledge. I confess I would rather he continued in the state of uncertainty he is at present; I should prefer that he continued in the state of confidence which characterized his intercourse with the Ministers who were then in power. I think it would be most unfortunate if his confidence in those who then guided the destinies of Canada should be shaken by a knowledge that anything of this sort had occurred. * * * (Page 181.) In England at the present moment the necessity of the all-rail communication through Canada from that important naval station, Halifax, on the Atlantic, to the still more important station, Esquimalt, on the Pacific, is now considered imperative, and, though we may not look to the heavily taxed people of Great Britain to afford us any material assistance towards carrying out this great work, yet we feel that we may always look to them for all that moral and indirect support which can be afforded by the Ministry of the day or the great ma-

jority of the people in England; and the reason for all this is obvious. The position of England in the North Pacific requires strengthening. * * Now, as to the second point, hon. gentlemen, to which I have alluded, that of the national honour involved in the construction of this great work, every member of this House must be conscious that for the past ten years Canada has been bound by the most solemn pledge into which she could have possibly entered to construct with all reasonable celerity this great Inter-Provincial railway. When we remember that that obligation on the part of Canada was the chief inducement to British Columbia to enter the Confederation, we must all be struck by the peculiarly binding character of that condition of the Terms of Union, and it does not seem possible that any member of this House should either willingly or wilfully forego the opportunity which is now offered of discharging in a satisfactory manner the obligation so incumbent upon Canada.

* * * (Page 184.) Speaking as a British Columbian, I desire to express—not my gratitude for the course which the Government has adopted in this particular case, for, in my view, they have done nothing more nor less than they were bound by every consideration of honour and national expediency to do—but I rather desire to express my hearty appreciation of the determined energy which has characterized their action with reference to this great question; I admire alike the wise forethought which planned this great undertaking and the ability which has led to negotiations for carrying it out to their present point, and above all do I admire their determination in the face of unscrupulous opposition to perform, without fear of the consequences to themselves, the high duty which has devolved upon them of upholding the honour of the country, and of furthering its best and most lasting interests.

Hon. Mr. KAULBACH * * * (Page 218.) We know well that as far back as 1870 British Columbia made it one of the principal conditions upon which she would come into the Union, and stated plainly that any union which would not have that condition attached to it and faithfully carried out would only be a union on paper and not a union

England's position on North Pacific requires strengthening.

Canada bound for ten years to construct C. P. R.

* Lord Dufferin imposed on by his Ministers.
* All rail to Esquimalt important to England as a matter of defence.
† No Railway is a union on paper.

An Imperial
matter.

Guaranteed
loan.

Faith violated.
B. C. will
break up
Confederation.

in fact. We find that on that condition British Columbia entered the Confederation, and England, considering the uniting and welding together all these British Provinces from ocean to ocean an Imperial matter, did all that could possibly be expected of her to aid in effecting and concluding the negotiation. She became a party to it. On the faith of this arrangement, England advanced to this country £2,500,000 sterling to aid us in the fulfillment of our obligations and in the construction of this railway. * * * (Page 223.) But he knows as well as I do that this country feels, and the Lower Provinces especially feel that we are bound by every tie of fidelity and honour to construct this railway in the way to which we are pledged, and this pledge we will redeem. If the faith of the country is broken with British Columbia, it will not be by Nova Scotia, for we feel that if broken with one of the Provinces, it may lead to the disintegration of the Confederation, and there will be very little hope then for the future of this country. The Government felt that they were bound by all the obligations that can bind public men to carry out this work, but they feared it was of such magnitude that the resources of the country were not equal to it, and they were glad and the country rejoiced when they found a company in whom this country and the money markets everywhere have confidence, who are able, willing and prepared to relieve the Government and country of their obligation. * * *

Friday, February 11th, 1881.

Hon. Mr. DICKEY said: * * * (Page 297.) We have been called upon by the hon. the leader of the Opposition to deal with this measure in a liberal and independent spirit. Now, distasteful as was the avowal of that hon. gentleman to the people locally interested, I am quite sure that the majority who voted against

Hon. Mr. KAULBACH.

him on the Esquimalt and Nanaimo Bill must have been exceedingly gratified to find by his assurance that the action of the Senate on that occasion turned out to be quite right. Nor was I surprised at that avowal when I recollected that only four or five short months after the vote had been given in this House on that Bill the Government of the day—the Government of which the hon. gentleman was a member himself—adopted the very reasons given by the majority in this House for opposing that Bill as an excuse for not carrying out its provisions. This is the spirit in which the Senate generally discusses public questions, and in the same spirit I propose to deal with this question. * * *

Hon. Mr. DEBOUCHVILLE * * * (Page 316.) They knew that if they were the guardians of the purse of the country they were also the guardians of its honour, and that honour was pledged in a solemn treaty with British Columbia to the construction of this road. They, therefore, felt themselves obliged to adopt the policy of last year. Since then capitalists have come forward, and have offered to build this road on better terms than those contained in the Act of 1874. * * *

The SPEAKER (Hon. Mr. Macpherson) * * * (Page 357.) They also placed under contract a section of 126 miles in British Columbia. In their opinion the country was committed and pledged to proceed with the railway in that province—a work to which the very troth of the country was pledged at the time British Columbia entered the Dominion; and when Mr. Mackenzie succeeded to power he entered into negotiations with British Columbia which resulted in the adoption of what is known as the Carnarvon Terms; and his Government, I may say, affixed anew the seal of Canada to the treaty with British Columbia. * * *

* Parliament the Guardian of the Honor, as well as the Public Purse of Canada.

EXTRACTS.

Extracts from Hon. Mr. Morris' speech delivered 30th March, 1871; and Mr. Mackenzie's and Mr. Blake's Speeches delivered 31st March, 1871, on the British Columbia Debate in House of Commons, on TERMS OF UNION, from Scrap-Book of "Parliamentary Debates, Canadian Dominion, 4th Session, 1st Parliament, 1871, Library of Parliament (Toronto 'Globe' Report), pp. 69, 71."

* HON. MR. MORRIS, after alluding to the benefits of Confederation, expressed himself surprised at the course pursued by the hon. members for Sherbrooke and Lambton, both of whom were friends of Confederation. He argued in opposition to the views of the hon. member for Sherbrooke, that a railway was preferable to a coach road, as originally proposed by British Columbia. He then proceeded to state that if the amendment of the hon. member for Lambton were carried, it would have the effect of locking up lands in the fertile belt of the North-West. He charged the Opposition with having dealt with this question deliberately, and with a motive as merely a question of bargain, and said that having purchased the North-West we must build the Pacific Railway. *He denied that the expenditure of a hundred (millions?) dollars would be incurred, for the House was master of the situation, and was not asked to vote money now.* (Ironical

cheers from the Opposition.) *That could be done at a future time if necessary.* (Ironical applause.) He concluded by saying that the House should approve of the policy of the Government and complete the Inter-oceanic Railway. (Applause from the Government benches.)

MR. MACKENZIE. * * * (Page 72.) He characterized the statement of the Minister of Inland Revenue, yesterday, in holding out hopes to British Columbia, and then stating that *Parliament was master of the situation, as one of the most immoral speeches he (Mr. Mackenzie) ever heard delivered in Parliament.* (Hear, hear.)

MR. BLAKE. * * * (Page 72.) *The man who would vote for the proposition with the secret intention not to sink the last dollar if necessary to fulfil the obligation thus contracted, was a dishonest man.*

* Morris holding that Parliament could repudiate terms of Union. See page 109, Tilley.

Extract from a "Letter from Sir A. T. Galt, Montreal, 6th September, 1875, to the Hon. James Ferrier."—"Globe," September 8th, 1875.

* * * * *
Much of this proposed outlay has, I fear, reached a point where it cannot be arrested, and, in fairness, this remark must apply to the condition of things which the present Government found on assuming office. But there is one undertaking of stupendous magnitude which may be yet considered as within control. I allude to the Pacific Railway. On this subject, much as I was opposed to the scheme adopted by the late Government, I confess I view with still greater apprehension the present policy, and I rejoice at the partial check it received in the rejection

by the Senate of the Esquimalt and Nanaimo Railway.

I entirely adopt the views enunciated by Mr. Blake respecting the Pacific Railway and our relations to British Columbia prior to his joining the Government; and if I could reasonably hope that these opinions would henceforward be those of his colleagues, I should, on this subject, be their supporter and follower. I consider the proposition perfectly monstrous that for the sake of the sparse population on the Pacific coast the prosperity of four millions of people east of Lake Superior should be arrested, and their

political independence jeopardized. No one who observes the state of the country can doubt that it is of the last importance Canada should, in its public burdens, afford a marked contrast to the United States. Cheapness is the set-off we have to offer the emigrant against the milder climate of the south. High taxation, which must be by customs duties, approximates our condition to that of the United States, must exasperate our fellow subjects in Great Britain, and thus by double action weaken the ties that bind us to the Mother Country, and also our inducements to maintain our own system of Government as opposed to that of the United States.

Galt favors
secession, and
repudiation of
Union with
B. C.

I believe nine-tenths of the people of Canada are convinced that the construction of the Pacific Railway is at this time, and will for many years (be?) wholly unnecessary; they know the cost will be prodigious, and no one fit to govern the country can be ignorant of the fatal consequences of undertaking such an outlay. The frank and honest course is to tell British Columbia that the engagement was improvident, and its fulfillment impossible; to offer reasonable equivalents for its abandonment, and, failing agreement, to inti-

mate our acquiescence in her retirement from the Confederation. She cannot complain that the connection has thus far been injurious to her; she would still remain in the Empire, and subject to the Queen. I do not consider between members of the same Empire public faith can be construed to entail the most disproportionate sacrifices by the greater for the less, even if not involving both in the common ruin. Public faith, in my opinion, is in a much more sacred way pledged to the public creditor,* and it is certain that an enormous increase of debt, attended by exhaustive taxation, would most seriously affect his position.

It is, however, certain that even were the Pacific Railway disposed of, the other engagements made and pledges given respecting the canal system and other works will task all the resources of the country for years to come. And we are brought to face these liabilities with depressed trade and industry, and consequently a failing revenue. The problem is not an easy one, and as increased taxation appears inevitable, the readjustment thereof becomes the leading question of the day." * * *

What Capitalist would have faith in Canada paying off her public debt and loans if Galt's doctrine prevailed?
See Girouard, page 119, paying debts.

Extract from the Toronto Globe, December 21st, 1876, on "New Terms for British Columbia."

We publish this morning a Minute of Council forwarded, under cover of a dispatch from the Secretary of State, by the Dominion Government to the Government of British Columbia, proposing new terms in place of those interfered with last April by the vote of the Senate which defeated the Vancouver's Island Railway Bill. It will be recollected that, when Mr. Mackenzie assumed office, he found great dissatisfaction existing in British Columbia in consequence of the failure of the Canadian Pacific Railway policy of the late Administration. After considerable negotiations the Canadian Government agreed, on the suggestion of the Colonial Secretary, to new Terms, of which the most important were—the construction

of a local railway from Nanaimo to Victoria, in Vancouver's Island; the expenditure of not less than \$2,000,000 per annum upon railway construction in the Province, after location, until the Pacific Railroad should be completed through the British Columbia section; and the completion of the railroad from Lake Superior to the Pacific by the year 1890. These Terms were, it was admitted on all hands, extremely liberal. The obligation to impose a time limit on so gigantic an enterprise as even in its diminished length the Canadian Pacific must prove, involved Canada in very serious responsibilities, which only an ardent desire to keep faith with British Columbia could have justified. The Senate having vetoed this import-

ant item in the concessions made to British Columbia a re-consideration of the whole question became necessary. The despatch now published embodies the result at which the Canadian Government arrived. The Minute of Council recapitulates the circumstances, arising out of the original agreement or Terms of Union in 1871; the mission of Mr. Edgar in 1874; and the new Terms finally adopted by both parties as a final settlement of all difficulties. The Minute then calls attention to the fact that "every step in the negotiations was necessarily predicated upon and subject to the conditions of the Resolution the House of Commons passed in 1871, contemporaneously with the adoption of the Terms of Union with British Columbia, subsequently enacted in the Canadian Pacific Railway Act of 1872; and subsequently re-enacted (after a large addition had been made to the rate of taxation) in the Canadian Pacific Railway Act of 1874; that the public aid to be given to secure the accomplishment of the undertaking 'should consist of such liberal grants of land and such subsidy in money or other aid, *not increasing the then existing rate of taxation*, as the Parliament of Canada shall thereafter determine.'" The Minute points out that the course of the Government of Canada must be subject to this condition "thrice re-

corded in the Journals of the House of Commons." It refers to the several features of the new Terms, and urges that the Vancouver's Island Railway is a work essentially local in its character, and one, therefore, that should, under ordinary circumstances, be undertaken by the Local Government. *It is then proposed that the British Columbia should relieve the Government of Canada of the obligation to build the Canadian Pacific Railway, accepting in lieu thereof, and as compensation for any delay that may take place in the construction of the Pacific Railway, a cash bonus of \$750,000 to be applied either towards the local railway or other public works, Canada also surrendering any claim to lands which may have been reserved in Vancouver Island for railway purposes.* If this proposal be accepted the Government will be prepared to submit to Parliament at its forthcoming Session the measures necessary to give it effect. We observe that, concurrently with the publication in Victoria of these despatches, the announcement is made of an early meeting of the Local Legislature, so that the representatives of the Province will have an opportunity of expressing their opinion on the matter before the Dominion Parliament is called upon to legislate in the premises.

*Land surrender.

* This is the *Globe's* opinion of what the \$750,000 was intended for.

† How surrender, if she had them not. But she had them, and has them still.

Extract from a 'Leader' in the Toronto "Globe" of December 28, 1875, on "British Columbia and the Canadian Pacific Railway."

On the receipt, in the first instance, of the Minute of Council embodying the new proposals made to British Columbia by the Government of Canada, we were under the impression that the offer of a sum of \$750,000 was intended to cover not only the relinquishment of the Vancouver Island Railway but also the abrogation of the time limits agreed upon between the two Governments for the completion of the railway from Lake Superior to the Pacific Ocean by the end of the year 1890. It did not in the least follow, as some of the Conservative organs have asserted, that the Pacific Railway scheme had been relinquished, but

simply that, freed from any express contract as to time, the Canadian Government would then have been able to proceed with the work exclusively as a national enterprise, unencumbered with any local obligations or considerations of purely sectional interests. Such an arrangement would, we believe, in the end, have done no wrong to British Columbia, while it would have put the responsibility of the Dominion on a fair and rational basis. It seems, however, that the proffered bonus applies to the relinquishment of the Vancouver Island Railway only; and that the agreement, therefore, stands with respect to the

main line exactly as it stood before the Minute of Council was written. A review of the circumstances under which the Minute of Council was passed is necessary to a clear understanding of its contents and purport. * * * The Order in Council proposes to pay the sum of \$750,000 to the Province of British Columbia for the purpose of constructing this line of railway by the people themselves, as well as to surrender the claim to lands contained in the twenty-mile belt required to be given to the Dominion Government by the Bill of last

Session; or, in case the Province should prefer undertaking some other works, the money to be available for that purpose. This, in view of agreement, practically places it in the power of the Local Legislature to say for what public purpose the \$750,000 shall be applied; and when this is indicated, the necessary steps will be taken to procure Parliamentary authority at the coming Session, after which the Dominion Government would be entirely released from all obligation for railway construction on Vancouver Island. * * *

* *Globe* changed its opinion as to object in offering B. C. \$750,000 in 1875. See O. C. September 20, 1875, page 220 in *Railway papers* for the truth.

Extract from a "Leader" in the Toronto "Globe" of 8th January, 1876, on "British Columbia and the Vancouver Railway."

"The files of British Columbia papers that have reached us show a very wide divergence of sentiment in that Province on the subject of the recent proposals of the Dominion Government. The organ of the Local Ministry denounces the proposition as tantamount to the abandonment of the whole Pacific Railway scheme, and a gross breach of faith on the part of the Canadian Cabinet. The Opposition organ in Victoria, while regarding the proposal as inadequate, repels the rather violent attacks of its local contemporary. Some of the mainland papers, on the other hand, advise the acceptance of the Terms as on the whole favorable and just to the Province. There has been evidently misconception in British Columbia, as there has been here, as to the purport of the offer comprised in the Ottawa Minute of Council. The tender of \$750,000 is as compensation for the omission from the new arrangement, agreed to under the auspices of Lord Carnarvon, of that portion which obliged Canada to build the road from Esquimalt to Nanaimo, some sixty-five miles in length. That road was no part of the original Pacific Railway scheme. The Government of Canada was perfectly at liberty to fix the terminus at the head of Butte Inlet, at Burrard Inlet, or at any more northerly

point within the boundaries of the Province, if the public interest made such a step desirable. * * * The new offer is to substitute a money payment of \$750,000 in lieu of the railroad; the money to be applied either to subsidize the line or to provide other public works or improvements. There is no mistake as to this being the sole intention of the recent Minute of Council. Speaking at Sarnia, after that Minute had been drawn up, Mr. Mackenzie said:—'It (the Esquimalt-Nanaimo Railway Bill) was defeated at all events, and that imposes on the Government now the duty of considering what can be done in connection with this particular part of Lord Carnarvon's recommendation in order to satisfy the people of that Province, and I hope we shall be able to make such a proposition to them as will command the support of the reasonable men in that Province, and secure a settlement of this matter which will be permanent.' It was, then, to the particular part of the arrangements made on Lord Carnarvon's recommendation, and no other, the offer of \$750,000 applied. It is equivalent to the payment of a subsidy of over \$10,000 a mile for the railroad if the British Columbians choose to build it.' * * *

* Also on Sir John's Government.

* That road was part of C. P. R. as Act 1873 gave Government power to fix Terminus by O. C. In June, 1873, it did so. The Act did not give power to revoke, but only to fix. Hence E. and N. Section was fixed, and by Statute of 1874: and land was reserved under O. C., 1872.

See pages
231 to 235.

Treaty-
breaking.

* This
Mill

Extract from the "Debates of the House of Commons of the Dominion of Canada, Vol. II. Session 1880."—Mr. Blake on the C. P. R., April 16, 1880.

HON. MR. BLAKE (page 1,462). The increase in the charge for interest has not indeed kept pace with that of capital for several reasons. *We have raised a large sum from our people without interest, in the shape of legal tenders in circulation, and compulsorily held as bank reserves. We have issued several guaranteed loans at very low rates of interest. We have re-borrowed to pay off old loans at a much lower rate of interest than the rate they bore; we have borrowed fresh money at better rates, and we have been borrowing at a discount, which, of course, means that we have been capitalizing a material part of our charge for interest. But with all those*

advantages, real and apparent, I believe our net annual charge for interest will, by 30th June next, be increased by \$2,700,600 a year, or nearly 63 per cent. The truth is, Sir, that our annual foreign loans are now not much more than enough to pay our interest. Some part of them, indeed, have been of late years devoted in terms to that purpose; we have had yearly deficits, and have been obliged to borrow to pay our interest. But apart from this, the average annual loans to be raised for the next few years for public works will be not much greater in amount than our yearly interest payments. * **

* See Blake, page 97. See also page 148, &c. *

Extract from Hon. Mr. Mills' Speech in Parliament, Jan. 5, 1881, from Official Report of "House of Commons Debates."

HON. MR. MILLS. * * * (Page 276.) The hon. member for Victoria has frequently reminded us, that the Union is a compact—that the obligation to build a railway is a treaty obligation. But what does the hon. member say as to the quality of the lands, and as to the representation of the delegates? I may also observe that all treaties which are perpetual in form, are not so in fact. Let me ask the hon. member, and those who agree with him, to note how treaties are disregarded when they stand in the way of a nation's interest, embarrass its finances, or give rise to unforeseen dangers? How did France observe the Treaty of Vienna? How has Russia observed the Treaty of Paris, in reference to her naval force in the Black Sea? How has England observed her treaty with the Ameer of Afghanistan, when she wanted a more scientific frontier to the west of India? She asked for a European resident to represent her at Cabul. She was bound by treaty not to ask it—she nevertheless did ask it. She expected a refusal. The Ameer was about to yield to her demand, and the negotiations were broken off to prevent compliance, because the real aim was a change of frontier; so that treaties do not possess

that enduring and unchangeable character which some hon. gentlemen suppose. In the case of a Federal union the power and the rights retained by each individual member are, no doubt, perpetual. They have not been parted with. As to these each Province remains after the union as distinct an autonomy as before; but as to what is to be done in the future by the Central Parliament and Government is for that Central Parliament or Government to decide.* In the case of the union between England and Scotland, many things stipulated for by the Scotch Parliament have been changed by the Parliament of Westminster. Lord Campbell has observed that however inviolable the compact between the two kingdoms may have been, the Parliament of the United Kingdom can do anything which before the union could have been done by the Parliament of either. The junior member for Victoria, in 1876, proposed a resolution, in which, among other things, he stated:

"The public faith and honor of Canada were pledged in the most solemn manner to British Columbia to secure the commencement simultaneously within two years from the date of Union the construction of a railway from the Pacific towards the Rocky Mountains, and from

* This incendiary doctrine was started by Morris, 1871. See Mackenzie, 105, 106, 129; Blake, 129; Tilley, 109; Mills, pp. 133-4.

such point as might be selected east of the Rocky Mountains towards the Pacific to connect the seaboard of British Columbia with the railway system of Canada; and, further, to secure the completion of such railway within ten years from the date of Union."

The right hon. gentleman, now the First Minister, expressly repudiated the statement of facts in this resolution. He denied that the construction of a railway was to be undertaken on behalf of British Columbia. He said:

"This was not a mere arrangement by which British Columbia agreed to enter Canada. It was a mutual agreement and partnership by which the Dominion and British Columbia joined hands, and became one Dominion. British Columbia was pledged to the rest of the Dominion to the construction of this railway, just as much as the rest of Canada was pledged to British Columbia. It was not merely for the benefit of British Columbia, but for the common

benefit. If it had been otherwise no such an agreement could have been made. All parties recognized it as a political expediency for both Colonies. It was in a spirit of perfect equality the compact was entered into. It was not only for the sake of spending money in British Columbia, but for the purpose of rendering what would be merely a Union on paper, one in reality. Therefore, it was agreed that the road should be constructed in British Columbia, and also in other parts of Canada at the same time."

I would commend the views expressed in this quotation to the consideration of the hon. member for Richmond and Wolfe. I accept them as generally sound, and the constitutional view presented is in exact accord with the opinions of Lord Chancellor Campbell, upon a measure involving exactly the same principle. x

* A Section of Act of Union between England and Scotland made United Parliament supreme. Another Section gave Parliament power to alter, &c. any provision in Act in existing Laws of Scotland. Hence Lord Campbell is no authority bearing on the case of Canada, and Terms of Union with B. C. Canada cannot repeal an Imperial Act.

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MEMORANDUM

In explanation of this Map, respecting the Railway Land Reserve marked thereon, and the pledges and agreements of Dominion Government to construct the Esquimalt-Nanaimo Section of the Canadian Pacific Railway.*

1. Columbia was united to Canada on July 20th, 1871.
2. Canada, in 11th section of the Terms and Conditions of Union, undertook to secure the commencement of the Canadian Pacific Railway within two years, from date of Union, and complete it within ten years—the two years being allowed within which to make surveys and locate the line.
3. The surveys were commenced in Columbia in July, 1871.
4. Columbia, in section 11, "Terms of Union," agreed to give Canada a Belt of Land along the line of Railway, but not exceeding 20 miles on each side of it, in aid of the Railway, in consideration of being paid \$100,000 per annum by Dominion Government.
5. On May 28, 1872, when the first section of the Canadian Pacific Railway Act, respecting the Termini was under discussion in the House of Commons, Hon. H. L. Langevin, Minister of Public Works, stated, in reply to Mr. DeCosmos, after consultation with his colleagues, that—"should the Railway be carried to Burrard's Inlet, a Ferry will be established and a line will be carried to Esquimalt as a part of the Railway."
6. In confirmation of this public pledge given by the Hon. Mr. Langevin, on behalf of the Dominion Government, Mr. Sandford Fleming, Chief Engineer of the Canadian Pacific Railway, made, May 29th, 1873, a Report respecting the operations of the season; and in section 4 there is the following statement:

"4. That with respect to the Railway in British Columbia, the Government having announced a decided preference for Esquimalt as the Terminus, whether Vancouver Island be reached by bridge or ferry, and as the time for selecting lands for Railway purposes in British Columbia expires on the 20th July next, it becomes important to secure, either by an extension of time or otherwise, all the vacant Agricultural and Mineral Lands along the probable line for the Railway on Vancouver Island.

"That should the Government consider this advisable, the Limits of Reservation may be sufficiently well described as a strip of Land, 20 miles in width, along the Eastern Coast of Vancouver Island, between Seymour Narrows and the Harbor of Esquimalt."
7. On May 30, 1873, the Governor General approved of a Report of the Committee of the Privy Council which concurred in the report, as above, of Mr. Fleming.
8. In further confirmation of the pledge given, on behalf of the Government, by the Hon. H. L. Langevin, to construct the Railway on Vancouver Island, an Order in Council was passed on June 7th, 1873, in which—after referring to Mr. Fleming's Report of the 29th May, and the Minute of Council of May 30th (referred to above)—it is stated that "Esquimalt in Vancouver Island be fixed as the Terminus of the Canadian Pacific Railway, and that a line of Railway be located between the Harbor of Esquimalt and Seymour Narrows on the said Island."
9. The same Order in Council recommended that British Columbia be asked to convey by Order in Council to Canada, under the 11th section of "Terms of Union," the strip of land referred to by the Chief Engineer. See Map for its location and extent.
9. British Columbia made the reservation of the Railway Lands on Vancouver Island on July 1st, 1873, which was accepted by Dominion Government on September

* The map referred to was published to show the Railway Land Reserve on Vancouver Island, the Terminus at Port Moody, &c.

11th, 1873, in the following words: "that so long as the land referred to is not alienated from the Crown, but held under Reservation * * * the object of the Government will be attained, that object being, simply, that when the Railway shall come to be constructed, the land in question shall be at the disposition of the Government of the Dominion, for the purpose laid down in the 11th section of the Terms of Union with British Columbia."

10. From July 1st, 1873, to the present time, nearly eight years, that Reserve, containing a Belt of Land, 20 miles wide by 160 long, equal to 3,200 square miles or 2,048,000 acres,—nearly double the size of Prince Edward Island,—has been locked up to the serious and material injury of the Province,—no one being allowed to buy or lease coal lands, of which there are 450 square miles in the belt, open up coal mines, purchase or lease timber lands, erect a saw-mill, or buy or pre-empt land within the Belt for farming, pastoral, or gold, silver or copper mining purposes. The Province has honorably preserved the Reserve for the Dominion,—kept faith,—whilst the Dominion has been faithless.

11. In July, 1873, orders were sent to Mr. Marous Smith, the Engineer in charge in British Columbia, to commence location survey at Esquimalt and break ground. Two days were spent in what turned out to be a disreputable farce.

12. On the 25th July, 1873, the Provincial Government protested against the breach of faith on the part of the Dominion Government, in not commencing construction of the Railway in earnest; but no answer was received except an acknowledgment.

13. It may be remarked, as a still further confirmation of the pledge of Government to build the Island Section of the Railway, that the Allan Company was bound to construct it by virtue of their charter.

14. On the 24th November, 1873, a further protest was sent to Dominion Government, against its breach of faith in not commencing the construction of the Railway.

15. In 1874, Mr. Mackenzie sent Mr. Edgar to British Columbia to secure a relaxation of the Railway section of the Terms of Union, and offered to build the Island Section of the Railway at once, if the Provincial Government would consent to other terms respecting construction on the continental section of the Province; but negotiations were broken off.

16. In June, 1874, the Provincial Government petitioned Her Majesty the Queen for relief—"that justice may be done to British Columbia."

17. Lord Carnarvon, the Principal Secretary of State for the Colonies, on November 17th, 1874, acting upon the Petition to the Queen, and after considerable correspondence with Canada, recommended "That the railway from Esquimalt to Nanaimo be commenced as soon as possible, and completed with all practicable despatch," and concluded his despatch to Lord Dufferin in these words:

"I sincerely trust that the more detailed terms which I have now laid down as those on which this policy should be carried out, will be found substantially in accordance with the reasonable requirements of the Province, and with that spirit of generous and honorable adherence to past engagements which ought in a special degree to govern the dealings of a strong and populous community with a feebler neighbor, and which I well know to be characteristic of all parties and statesmen alike within the Dominion of Canada."

18. On the 18th December, 1874, the Dominion Government passed an Order in Council accepting the recommendation of Lord Carnarvon, and assuring him "that every effort would be made to secure the realization of what is expected."

19. British Columbia accepted the "Carnarvon Terms" with the full belief that Railway construction would be commenced at once on Vancouver Island.

20. On the 25th March, 1875, an Order in Council was passed asking the Government of British Columbia to convey to the Dominion, by Statute, all the Crown Lands between Esquimalt and Nanaimo, in aid of the construction of the Pacific Railway, and in accordance with the 11th section of the Terms of Union. This Order in Council recognizes the binding force of the "Carnarvon Terms" in the following words: "On a memorandum, dated 25th March, 1875, from the Hon. the Minister of Public Works reporting for the consideration of Council, that prior to the commencement of any

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works of construction on the proposed Railway from Esquimalt to Nanaimo, WHICH THE DOMINION GOVERNMENT HAVE agreed to build under the arrangements made through Lord Carnarvon at the instance of British Columbia, it is essential that the Province should convey, by legislation, to the Dominion," the lands referred to above.

21. British Columbia, in accordance with the request in the above Order in Council, conveyed by Statute, to the Dominion in 1875, all the Crown Lands between Esquimalt and Nanaimo, and those lands still remain with the rest of the Railway Reserve closed against settlement.

22. Subsequently, in 1875, the line was surveyed between Esquimalt and Nanaimo, and mapped; and 5,000 odd tons of rails were landed at Esquimalt and Nanaimo. Nothing since then has been done by the Dominion towards building the Island section of the Canadian Pacific Railway. But, on the contrary, the rails have all been carried away to Yale—part under the administration of Mr. Mackenzie in 1878, and the balance during the last year under the Government of the Right Hon. Sir John A. Macdonald.

23. It needs no comment on the above facts to convince an honorable and justice-loving people, such as Canadians are, that the Dominion Government is bound by honor, duty and obligation to construct the Esquimalt-Nanaimo section of the Canadian Pacific Railway at once.

A. DECOSMOS.

EXPLANATION.

This Map is intended to show that Port Moody is not the proper place for the Western Terminus of the Canadian Pacific Railway.*

The following are some of the reasons why it is not the proper place for the Terminus:—

1. Sailing vessels bound inward from the Pacific Ocean never require a steam tug in order to reach anchorage off Esquimalt; neither do they require a tug when bound outward from Esquimalt to the Ocean.

2. Sailing vessels going to Nanaimo from Esquimalt are always towed there and back, seventy miles each way, the towage costing \$400 to \$500.

3. All sailing vessels going from Royal Roads' anchorage, off Esquimalt, to Moody's Mills or Hasting's Mills, Coal Harbor, Burrard's Inlet, are towed there and back, distance being about 75 miles each way, or round trip 150 miles, the cost of towage being from \$400 to \$500.

4. All sailing vessels that may hereafter be bound inwards to discharge or take in cargo at Port Moody cannot avoid being towed there from off Esquimalt and back again, 85 miles each way, or 170 miles in all, through difficult navigation, the cost of towage being \$400 to \$500, or upwards.

5. The Esquimalt-Nanaimo section of the Canadian Pacific Railway, 68 miles long, if constructed and connected with an extension of the Railway from Port Moody to English Bay, by a Steam Railway Ferry between Nanaimo and English Bay, would complete the Pacific Railway to Esquimalt, which is the only port in Southern Columbia accessible in all states of weather to sailing vessels bound inwards from the Pacific Ocean.

6. Unless the Canadian Pacific Railway be extended to English Bay, and connected with Nanaimo by a Steam Railway Ferry, and the Esquimalt-Nanaimo section constructed and operated as part of the main trans-Continental line, the Northern Pacific,—by extending its line to Holmes' Harbor and making it their Ocean Terminus,—where sailing vessels may arrive, or from which they may take their departure without the cost of towage,—will have a material advantage over the Canadian Pacific in trans-Pacific commerce.

* The map referred to was designed to show that Port Moody was not the proper place for the Terminus of the Canadian Pacific Railway.

Under Carnarvon terms.

No. 1.—STATEMENT showing, in detail, the sums voted by Parliament for each Fiscal Year, commencing with 1871-72 and ending with 1881-82 inclusive, for Surveys and Construction of Canadian Pacific Railway, &c.—*Concluded.*

Fiscal Year.	Votes for Surveys and Construction of Canadian Pacific Railway for each Fiscal Year, detailed as per Estimates.	Total Vote for each Fiscal Year for Surveys and Construction.	Total Vote named for British Columbia in each Fiscal Year, as per Estimates for Surveys and Construction.	Total Expenditure in each Fiscal Year for Surveys & Construction on C.P.R.	Total Expenditure for Surveys, &c., in British Columbia, as per Audit Office Statements.	Total Actual Expenditure in Construction in British Columbia, July 1, 1872, to 1st Dec., 1880.
1881-82	O. P. R., British Columbia..... 3,000,000 00 do Telegraph lines and roadway..... 70,000 00 do Station and terminal accommodation..... 50,000 00 do Subsidy to C. P. R. Company..... 4,000,000 00 do (Chargeable to Income)..... do St. Boniface Hospital on account of a large increase in the number of patients between the years 1876 and 1880 inclusive, in consequence of the proximity of the C. P. R. works..... 1,796 00	\$ cts. 46,097,812 48	\$ cts. 3,000,000 00	\$ cts. 16,468,769 82	\$ cts. 1,552,297 47	\$ cts. 367,655 40
	Total.....	10,787,886 00				

No vote for surveys, and Report on Emory Moody Section, except possibly in connection with "Can" head. See Estimates 1880-81.

SUMMARY.

1. Total amount voted for 1871-2 to 1880-1 inclusive, for Surveys and Construction on Canadian Pacific Railway under all heads..... \$46,097,812 48
2. Total amount voted for Surveys and Construction of Canadian Pacific Railway, and cash subsidy to Syndicate, for Fiscal Year 1881-2..... 10,787,886 00
3. Total Amount Actually expended in each Fiscal Year from 1871-2 to 1879-80 inclusive, on Surveys and Construction of Canadian Pacific Railway..... 16,468,759 82
4. Total votes (named) for Surveys and Construction in British Columbia from July 1, 1871, to July 1, 1880..... 5,868,600 00
5. Total Amount Actually expended in Construction of Canadian Pacific Railway from July 20, 1871, to December 31, 1880, in British Columbia..... 367,655 40
6. Total vote for Construction in British Columbia, in Fiscal Year 1881-2..... 3,008,600 00

* Total expenditure on Onderdonk contract up to 21st December, 1880, \$367,655.40. *Vide* Tupper's Speech, 1881.

CANADIAN PACIFIC RAILWAY.

(23)

OFFICE OF THE ENGINEER-IN-CHIEF,

OTTAWA, December 7th, 1880.

SIR,—At the request of the Hon. the Minister of Railways and Canals, I have the honor to submit a carefully prepared estimate of the probable cost of constructing the sections of the Canadian Pacific Railway lying between Prince Arthur's Landing and Selkirk; the Pembina Branch, extending from Selkirk to Emerson; and from Kamloops to Port Moody, British Columbia, including station-houses and water tanks.

This estimate is made on the basis upon which the works are now being carried out.

I have the honour to be, Sir,

Your obedient servant,

(Signed)

COLLINGWOOD SCHRIEBER,

Engineer-in-Chief.

F. BRAUN, Esq.,

Secretary, Department of Railways and Canals.

367,655 40
3,008,600 00

5. Total Amount Actually expended in Construction of Canadian Pacific Railway from July 20, 1871, to December 31, 1880, in British Columbia.....
6. Total vote for Construction in British Columbia, in Fiscal Year 1881-2.....

* Total expenditure on Onderdonk contract up to 31st December, 1880, \$367,655.40. *Vide Tupper's Speech, 1881.*

MEMORANDUM of ESTIMATED COST of constructing the following sections of the
CANADIAN PACIFIC RAILWAY.

		\$	\$
Prince Arthur's Landing to Fort William	Rails and laying	23,000	
	Purchase	12,000	
			35,000
Fort William to English River.....	Rails	850,000	
	Grading, etc.....	1,885,000	
			2,735,000
English River to Eagle River.....	Rails	580,000	
	Grading, etc.....	2,100,000	
			2,580,000
Eagle River to Keewatin.....	Rails	300,000	
	Grading, etc.....	3,200,000	
			3,500,000
Keewatin to Selkirk	Rails	970,000	
	Grading, etc.....	3,530,000	
			4,500,000
Station houses, 2 engine houses and water service			280,000
Prince Arthur's Landing to Selkirk			13,580,000
Pembina Branch	Rails	700,000	
	Grading, etc.....	700,000	
	Station house and water service ..	68,000	
			1,468,000
Prince Arthur's Landing to Selkirk and Pembina Branch			15,048,000
Kamloops to Emory's	Rails	770,000	
	Grading, etc.....	7,100,000	
	Station house and water service ..	80,000	
			7,950,000
Emory's to Port Moody	Rails	540,000	
	Grading, etc.....	2,470,000	
	Station houses and water service...	90,000	
			3,100,000
Miscellaneous payments		302,000	
Engineering on construction		1,600,000	
			1,902,000
	Total.....		28,000,000

CANADIAN PACIFIC RAILWAY.—Statement of Expenditure to 30th November, 1880.

	\$	cts.	\$	cts.
Total Expenditure to 30th June, 1879	12,444,237	10		
Expenditure during fiscal year ended 30th June, 1880.....	4,044,627	60		
Total Expenditure to 30th June, 1880			16,488,864	70
Expenditure for 5 months ended 30th November, 1880			2,111,537	66
Total Expenditure to 30th November, 1880			18,600,402	36

No. 2.—APPROXIMATE STATEMENT showing Annual *Interest for each Fiscal Year, and Total Interest for Nine Years, at 4 per cent. per annum, on Capital expended in Surveys and Construction of Canadian Pacific Railway, from 1st July, 1871, to 1st July, 1880.
* The interest is calculated from the end of each fiscal year.

No. 2.—APPROXIMATE STATEMENT showing Annual *Interest for each Fiscal Year, and Total Interest for Nine Years, at 4 per cent. per annum, on Capital expended in Surveys and Construction of Canadian Pacific Railway, from 1st July, 1871, to 1st July, 1880.

* The interest is calculated from the end of each fiscal year.

Fiscal Year.	Total Expenditure in each year, as per Blue Book, Public Accounts of Canada, '80.	Interest, 1st July, 1872.	Interest, 1st July, 1873.	Interest, 1st July, 1874.	Interest, 1st July, 1875.	Interest, 1st July, 1876.	Interest, 1st July, 1877.	Interest, 1st July, 1878.	Interest, 1st July, 1879.	Interest, 1st July, 1878-80.	Total Interest paid on each year's Expenditure.
1876-71	\$ cts. 30,148 32	\$ cts. 1,205 93	\$ cts. 1,205 93	\$ cts. 1,205 93	\$ cts. 1,205 93	\$ cts. 1,205 93	\$ cts. 1,205 93	\$ cts. 1,205 93	\$ cts. 1,205 93	\$ cts. 1,205 93	\$ cts. 10,833 37
1871-72	482,428 16	19,577 12	19,577 12	19,577 12	19,577 12	19,577 12	19,577 12	19,577 12	19,577 12	19,577 12	186,616 96
1872-73	541,818 44	22,472 73	22,472 73	22,472 73	22,472 73	22,472 73	22,472 73	22,472 73	22,472 73	22,472 73	187,399 11
1873-74	310,224 88	12,408 99	12,408 99	12,408 99	12,408 99	12,408 99	12,408 99	12,408 99	12,408 99	12,408 99	14,453 94
1874-75	1,546,241 67	61,849 66	61,849 66	61,849 66	61,849 66	61,849 66	61,849 66	61,849 66	61,849 66	61,849 66	309,248 30
1875-76	3,346,567 06	133,862 68	133,862 68	133,862 68	133,862 68	133,862 68	133,862 68	133,862 68	133,862 68	133,862 68	535,450 72
1876-77	1,691,149 97	67,645 99	67,645 99	67,645 99	67,645 99	67,645 99	67,645 99	67,645 99	67,645 99	67,645 99	202,837 97
1877-78	2,228,373 13	89,134 92	89,134 92	89,134 92	89,134 92	89,134 92	89,134 92	89,134 92	89,134 92	89,134 92	178,269 84
1878-79	2,240,280 47	89,611 41	89,611 41	89,611 41	89,611 41	89,611 41	89,611 41	89,611 41	89,611 41	89,611 41	178,269 84
1879-80	4,044,522 72	164,885 759 82									1,714,751 62
Total Exp.	16,488,759 82	Total interest for 9 years.....									1,714,751 62

Total Interest paid in each year, commencing 1st July, 1872, and ending 1st July, 1880.

	1st July, 1872.	1st July, 1873.	1st July, 1874.	1st July, 1875.	1st July, 1876.	1st July, 1877.	1st July, 1878.	1st July, 1879.	1st July, 1880.	Total Interest in 9 years.
Total interest in each fiscal year, from July 1, 1871, to July 1, 1880.....	\$ cts. 1,205 93	\$ cts. 20,783 05	\$ cts. 43,285 78	\$ cts. 55,064 77	\$ cts. 117,514 43	\$ cts. 251,377 11	\$ cts. 319,923 10	\$ cts. 408,158 02	\$ cts. 497,769 43	\$ cts. 1,714,751 62

NOTE.—1. Total expenditure for Surveys and Construction on Canadian Pacific Railway in the fiscal years 1870-71 to 1879-80 inclusive, \$16,488,759.82.
2. Total interest on total expenditure at 4 per cent. per annum, the present rate paid on loans by Dominion Government, \$1,714,751.62.
3. Total average amount of interest at 4 per cent. in each year, for Nine years, July 1, 1871, to July 1, 1880, \$180,527.96.

No. 3.—STATEMENT showing Total Annual Receipts of Consolidated Revenue Fund of Canada, in each Fiscal Year, from 1871-72 to 1879-80, inclusive, and also Total Receipts in Nine years; the average rate per head contributed by Dominion, and also by British Columbia; also, Total proportionate Annual Liability of British Columbia to Consolidated Revenue Fund, and Total in Nine years; also Total Annual Receipts actually paid by British Columbia into Consolidated Revenue Fund, and the rate per head actually paid in British Columbia; the excess per head over proportionate rate of Dominion, the Total Annual Excess paid, and the Total Excess in Nine years, 1871-72 to 1879-80, inclusive.

Financial Year.	Total Receipts of Consolidated Revenue Fund in each Year.	Approximate average rate per head of Dominion, population (estimated) 4,400,000	Approximate average rate per head British Columbia, (population 50,000) liable for.	Approximate Proportionate Annual Liability of British Columbia to Consolidated Revenue Fund on 50,000 population.	Total Annual Receipts of Consolidated Revenue Fund in each Year, in British Columbia.	Rate per head actually paid by B.C. into Consolidated Revenue Fund in each Fiscal Year.	Approximate Excess per capita paid by B.C. over average rate per head of Dominion.	Approximate Annual Excess, over Proportionate Liability, contributed to Consolidated Revenue Fund by B.C. in each Fiscal Year, (population 50,000.)
1	2	3	4	5	6	7	8	9
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1871-72	30,714,813 68	4 70½	4 70½	235,375 00	363,298 69	7 26½	2 55½	127,923 68
1872-73	20,813,469 45	4 75½	4 75½	227,625 00	385,330 03	7 70½	2 95½	147,705 63
1873-74	24,205,092 54	5 50	5 50	275,000 00	391,192 62	7 82	2 32	116,192 62
1874-75	24,648,715 04	5 60½	5 60½	280,125 00	464,072 56	9 28	3 67½	183,947 56
1875-76	22,587,587 05	5 02	5 02	251,000 00	555,243 04	11 10½	6 08½	304,243 04
1876-77	22,059,274 11	5 01½	5 01½	250,625 00	468,673 76	9 37	4 35½	218,048 76
1877-78	22,375,011 88	5 08½	5 08½	254,250 00	496,912 94	9 93	4 84½	242,662 94
1878-79	22,517,382 14	5 12	5 12	266,000 00	587,082 44	11 76	6 64	331,082 44
1879-80	23,307,406 69	5 30	5 30	265,000 00	511,490 16	10 23	4 93	246,490 16
Totals, 9 Years.	203,228,752 58	.....	.....	2,305,000 00	* 4,223,745 63	.....	.....	1,918,745 63

NOTE.—1. Total Excess paid by British Columbia to Consolidated Revenue Fund, 20th July, 1871, to 1st July, 1880, inclusive \$1,918,745 63
 2. Total Excess, \$1,918,745.63, in Nine years, equal to an annual average contribution to Consolidated Revenue Fund of 213,193 96
 3. Annual Average Contribution of Nine years to Consolidated Revenue Fund, viz.: \$213,193.96, equal to interest per cent. at 4 per annum on
 4. Total Excess, viz.: \$1,918,745.63, over proportionate liability, paid by B.C. into Consolidated Revenue Fund, in Nine years, exceeds the Total Interest, viz.: \$1,714,751.62, on the Total Capital Expenditure for Surveys and Construction of Canadian Pacific Railway, from 1871-72 to 1879-80, inclusive, to the amount of..... 203,994 01

* See Blake, page 88.

No.

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1871-72.

1872-73.

1873-74.

1874-75.

1875-76.

1876-77.

1877-78.

1878-79.

1879-80.

Totals in
Years.

NOTE.

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No. 4.—STATEMENT showing Total Expenditure out of Consolidated Fund of Canada in each Fiscal Year from July 1, 1871, to July 1, 1880; the Total for Nine Years; the Average rate per head for each year, estimating Dominion population at 4,400,000; and also showing Amount per capita that British Columbia, with 50,000 population, is liable for annually, at the Average per capita rate of the Dominion for Expenditure; the rate actually paid per head for Expenditure by British Columbia; the Annual Excess contributed by British Columbia over proportionate rate for Expenditure of the Dominion, and the Aggregate Excess contributed by British Columbia, in Nine Years, over her proportionate contribution to Dominion Expenditure.

Financial Year.	Total Expenditure out of Consolidated Revenue Fund in each year.	Approximate average rate per head of Dominion, estimated (population 4,400,000).	Approximate average rate per head for which British Columbia (population 50,000) is liable.	Approximate rate per head actually paid by British Columbia.	Approximate excess, per head, over average rate of Dominion per head, paid by British Columbia.	Aggregate approximate Excess contributed by British Columbia in each Fiscal Year (population 50,000) to Consol. Rev. Fund.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1871-72.....	17,589,468 82	4 00	4 00	7 10½	3 10½	155,250 00
1872-73.....	19,174,647 92	4 35½	4 35½	6 19	1 83½	91,825 00
1873-74.....	23,316,316 75	5 30	5 30	6 93	1 63	81,500 00
1874-75.....	23,713,071 04	5 34½	5 34½	8 51	3 16½	158,250 00
1875-76.....	24,488,373 11	5 56½	5 56½	10 04	4 47½	223,750 00
1876-77.....	23,519,301 77	5 34½	5 34½	8 50	3 16½	159,250 00
1877-78.....	23,503,158 25	5 34	5 34	9 00½	3 66½	183,250 00
1878-79.....	24,455,381 56	5 55½	5 55½	10 92½	5 37½	269,875 00
1879-80.....	24,650,634 45	5 64½	5 64½	9 66½	4 01½	200,875 00
Totals in Nine Years.....	204,610,352 67	.....	.....	.....	.....	1,522,625 00

NOTE.—1. Total Excess, over proportionate Liability, contributed by British Columbia to Consolidated Fund for Expenditure from 1st July, 1871, to 1st July, 1880

\$1,522,625 00

2. Average Annual Excess paid by British Columbia, from 1st July, 1871, to 1st July, 1880

169,180 55

3. Average Annual Excess, viz.: \$169,180.55, is equal to the interest, at 4 per cent. per annum, on

4,229,513 75

No. 5.—STATEMENT showing the Total Taxes * paid by all the Provinces, North-West Territory and Keewatin, into the Consolidated Revenue Fund of Canada in each Year from July 1, 1871, to July 1, 1880, also Total for Nine Years; also showing the rate of Taxes per head in Dominion in each Year; the annual rate per head that British Columbia was liable for at Dominion Average rate in each Year; the Customs and Excise collected in British Columbia in each Year, and the rate per head of Customs and Excise actually collected in British Columbia in each Year, with Totals in Nine Years.

Fiscal Year.	Customs.	Excise.	Stamps.	Total.	Average Dominion Rate per head.	Approximate population of Canada.	Total Amount Taxes & B.C. (pop. 60,000) liable for annuall rate per head to Consolidated Rev. Fund.	Customs Collected in British Columbia.		Excise Collected in British Columbia.		Total Customs and Excise Collected in British Columbia.		Rate per head of Customs and Excise actually paid in by British Columbia, population 60,000.	
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1871-72.....	12,787,882 02	4,736,661 66	191,918 37	17,715,562 04	4 06½	200,128 00	353,664 80	1,457 14	355,321 74	7 10½					
1872-73.....	12,964,164 06	4,460,681 81	201,708 92	17,616,554 78	4 00	200,000 00	303,865 29	5,723 93	309,609 22	6 19					
1873-74.....	14,326,192 64	5,594,903 84	208,088 69	20,129,185 17	4 57½	228,760 00	335,787 29	10,674 84	346,462 13	6 93					
1874-75.....	15,381,011 66	5,069,687 21	244,180 19	20,694,878 96	4 69½	234,760 00	414,331 85	11,181 01	425,512 86	8 51					
1875-76.....	18,823,837 94	5,563,487 12	227,089 96	18,614,415 02	4 23	211,500 00	487,013 34	14,913 71	501,927 05	10 04					
1876-77.....	12,546,987 99	4,941,897 91	209,038 92	17,697,924 82	4 06	200,000 00	404,896 42	20,200 80	425,100 02	8 50					
1877-78.....	12,781,924 35	4,858,671 63	200,442 21	17,841,038 19	4 06½	202,760 00	425,391 34	24,935 33	450,326 67	9 00½					
1878-79.....	12,900,460 29	5,390,763 17	188,190 89	18,479,413 35	4 20	210,000 00	514,864 91	31,969 70	546,834 61	10 33½					
1879-80.....	14,071,343 13	4,335,427 16	178,666 16	18,479,576 44	4 20	210,000 00	448,628 79	34,646 10	483,274 89	9 68½					
Totals in Nine Years.....	129,544,002 97	44,949,171 60	1,844,464 30	167,236,636 77	-----	1,897,875 00	3,698,652 83	155,766 36	3,844,419 19	-----					

* Taxes include only Customs, Excise, and Stamps. † Stamp Act only extended to B.C. 1879-80, and so but trifling sum collected under that head.

1871-72...
1872-73...
1873-74...
1874-75...
1875-76...
1876-77...
1877-78...
1878-79...
1879-80...
To

No. 7.

Ontario
Quebec
Nova Scotia
New Brunswick
Prince Edward Island
Manitoba
British Columbia

No. 6.—CONSOLIDATED REVENUE AND EXPENDITURE OF DOMINION.—Total Consolidated Revenue, 1879-80, \$23,307,406.69. Total Population, 4,400,000; Average Revenue, *per capita*, \$5.30. Total Expenditure, 1879-80, \$24,850,634.45; Total Population, 4,400,000; Average Expenditure, *per capita*, \$5.65.

Province.	Estimated Population.	Approximate Average Revenue per Capita.	Proportionate share of Consolidated Revenue required of each Province as per Population.	Approximate Average Expenditure per Capita.	Proportionate share of Expenditure required of each Province, as based on Population.
		\$ cts.	\$	\$ cts.	\$
Ontario.....	2,000,000	5 30	10,600,000	5 65	11,300,000
Quebec.....	1,500,000	5 30	7,950,000	5 65	8,475,000
Nova Scotia.....	400,000	5 30	2,120,000	5 65	2,260,000
New Brunswick.....	300,000	5 30	1,590,000	5 65	1,695,000
Prince Edward Island.....	100,000	5 30	530,000	5 65	565,000
*Manitoba.....	50,000	5 30	265,000	5 65	282,500
British Columbia.....	50,000	5 30	265,000	5 65	282,500
Totals.....	4,400,000		23,320,000		24,850,000

* Customs return (1880) of Manitoba estimates population at 30,000.

No. 7.—STATEMENT of Receipts and Expenditure of Consolidated Fund of Canada, from 1871-72 to 1879-80, inclusive, showing Annual Surplus and Deficit.

Fiscal Year.	Receipts.	Expenditure.	Surplus.	Deficit.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1871-72.....	20,714,813 68	17,589,469 82	3,125,344 86	
1872-73.....	20,813,469 45	19,174,647 92	1,638,821 53	
1873-74.....	24,205,092 54	23,316,316 75	888,775 79	
1874-75.....	24,648,715 04	23,713,071 04	935,644 00	
1875-76.....	22,587,587 05	24,488,372 11		1,900,785 06
1876-77.....	22,059,274 11	23,519,301 77		1,460,027 66
1877-78.....	22,375,011 88	23,503,158 25		1,128,146 37
1878-79.....	22,517,382 14	24,455,381 56		1,937,999 42
1879-80.....	23,307,406 69	24,850,634 45		1,543,227 76
Totals in Nine Years.....	203,228,752 58	204,610,382 67	6,588,586 18	7,970,186 27

Stamp Act only extended to B.C. 1873-80, and so but trifling sum collected under that head.

* Taxes include only Customs, Excise, and Stamps.

No. 8.—STATEMENT showing Total Amount of Dominion Notes in circulation at the end of each fiscal year, 1870-71 to 1879-80, inclusive; the Increase of Issue in each year, the Decrease of issue in each year, the Total Annual Issue, and also, the Total Increase, Decrease, and Issue from July 1, 1871, to July 1, 1880; also Total Net Issue from July 1, 1871, to July 1, 1880.

Fiscal year.	Total Dominion Notes in circulation at end of each fiscal year.	Increase, Dominion Note Issue, end of each fiscal year.	Decrease, Dominion Note Issue, end of each fiscal year, compared with preceding year.	Annual Issue, Dominion Notes, in each fiscal year.	Net Total Increase of Dominion Note Issue in Nine years, July 1, 1871, to July 1, 1880.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1870-71	7,367,340 74	.....	.....	.....	.....
1871-72	10,510,541 21	3,143,200 47	.....	684,654 23	.....
1872-73	11,284,131 69	772,590 48	.....	772,590 48	.....
1873-74	12,175,578 62	892,446 93	.....	891,446 93	.....
1874-75	10,778,873 00	.....	1,396,705 62	.....	.....
1875-76	11,533,891 48	755,018 48	.....	755,018 48	.....
1876-77	10,680,492 88	.....	853,398 60	.....	.....
1877-78	10,460,734 81	.....	219,758 07	.....	.....
1878-79	10,789,710 04	328,975 23	.....	328,975 23	.....
1879-80	13,565,159 45	2,775,449 42	.....	2,775,449 42	6,197,818 73
Totals	.....	\$8,667,681 01	\$2,469,862 29	\$6,209,134 77	\$8,127,516 73

NOTE.—Difference between Total Annual Issue and Total Net Increase, \$11,316.05.

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PETITION OF BRITISH COLUMBIA.

Petition of Legislative Assembly of British Columbia to the Queen, respecting Canadian Pacific Railway, March 25, 1881.

To the Queen's Most Excellent Majesty.

MOST GRACIOUS SOVEREIGN :

We, Your Majesty's most dutiful and loyal subjects, the Members of the Legislative Assembly of the Province of British Columbia, in the Fourth Session of the Third Parliament assembled, humbly approach Your Majesty for the purpose of representing—

1. That the Province was mainly induced to enter into the Dominion Confederation in 1871, by the offer and agreement on the part of the Dominion, as appears by the Treaty of Union of that year, to construct and complete a Railway on or before July, 1881, through British Territory, connecting British Columbia with the Eastern Provinces.

2. That, on the 31st day of July, 1874, the Government of this Province presented a humble Petition to Your Majesty respecting the non-fulfilment by the Dominion of its Railway obligations towards British Columbia, as are contained in the Treaty of Union between the Dominion and British Columbia, assented to by Your Majesty in the year 1871. First petition to Queen.

3. That negotiations thereupon ensued, which resulted in Your Majesty's Principal Secretary of State for the Colonies (the Earl of Carnarvon) signifying his decision on the question in dispute, which decision, it is important to observe, was assented to by the Dominion Government. Carnarvon terms.

4. That the following, amongst other conditions, form part of this decision:—

(a.) "That the Railway from Esquimalt to Nanaimo shall be commenced as soon as possible and completed with all practicable dispatch.

(b.) "That \$2,000,000 a year, and not \$1,500,000, shall be the minimum expenditure on railway works within the Province from the date at which the surveys are sufficiently completed to enable that amount to be expended on construction. In naming this amount I understand that, it being alike the interest and the wish of the Dominion Government to urge on with all speed the completion of the works now to be undertaken, the annual expenditure will be as much in excess of the minimum of \$2,000,000 as in any year may be found practicable. \$2,000,000 on main land after survey completed

(c.) "Lastly, that on or before the 31st December, 1890, the Railway shall be completed and open for traffic from the Pacific seaboard to a point on the western end of Lake Superior, at which it will fall into connection with the existing lines of railway through a portion of the United States, and also with the navigation on Canadian waters. To proceed at present with the remainder of the railway extending, by the country northward of Lake Superior, to the existing Canadian lines, ought not, in my opinion, to be required, and the time for undertaking that work must be determined by the development of settlement and the changing circumstances of the country. The day is, however, I hope, not very distant when a continuous line of Railway through Canadian territory will be practicable, and I therefore look upon this portion of the scheme as postponed rather than abandoned." Time limit for completion of C. P. R. to Lake Superior, Dec. 31, 1890.

5. That owing to the total disregard by the Dominion of these and other conditions contained in the Settlement so effected, the Legislative Assembly, early in the Session of 1876, unanimously passed an humble Address to Your Majesty, praying that Your Majesty would be graciously pleased to cause the Dominion Government to carry out the agreement above referred to. Further concession to Canada.

6. That, in reply to the said Address, Your Majesty's said Secretary of State was pleased to advise the Province to submit to railway construction being deferred until the spring of 1878, in order to enable the Dominion Government, during the year 1877, to solve some doubtful points connected with the railway route; and that the delay mentioned was conceded in deference to His Lordship's wishes, without prejudice, however, to the rights of the Province. Second Petition to Queen.

7. That the Dominion Government having, up to the month of August, 1878, failed to commence Railway construction in the Province, the Legislative Assembly, on the 30th of August of the same year, further humbly addressed Your Majesty on the subject. Year's delay, p. 203. Railway Papers and failure to commence after year's delay.

* Extension of time did not deprive B. C. of right to compensation.

† Also compensation for delay in construction on north side of Superior to be completed by Syndicate May 1, 1891. Third Session 10 June

PETITION OF BRITISH COLUMBIA.

8. That, for the purpose of avoiding needless repetition, and of affording Your Majesty the fullest information on this subject, Your Petitioners crave leave to refer Your Majesty to the contents of the above-mentioned Addresses presented to Your Majesty, and to the several documents therein referred to.

Work commenced April 1880.

9. That, in the Spring of 1880, the work of construction was commenced by the Dominion in the interior of the Province, but not from its seaboard, or between Esquimalt and Nanaimo.

E. and N. Railway, not noticed Stating 500 miles north of Superior to be built.

10. That it is believed that arrangements have lately been made between the Dominion and a Syndicate, or Company of capitalists, for the construction of the Canadian Pacific Railway by 1891; which arrangements include about 500 miles of Railway North of Lake Superior, but exclude the section of 70 miles of Railway between Esquimalt and Nanaimo.

Seaboard express provision for in 1877 and 1874. Petitioners want to defer Superior Section.

11. That, under the Treaty of Union, it was expressly stipulated and agreed that Railway construction should be commenced from the seaboard of the Province; and under the Settlement effected in 1874, it was, as has been shown above, also expressly stipulated and agreed that the section of the Railway between Esquimalt and Nanaimo should be constructed and completed with all practicable dispatch, and that construction of the line North of Lake Superior should be deferred until after the completion of the railway communication between the seaboard of the Province and Lake Superior.

No provision for Moody claim, and E. and N.

12. That, although the Dominion Government has never questioned the right or claim of the Province to have the Railway commenced from its seaboard, and has moreover acknowledged that the Province is entitled to have the section of the line between Esquimalt and Nanaimo constructed, yet no provision has been made by them for the fulfilment of these portions of their Railway obligations.

What Canadian tariff was adopted for.

13. That, by the Treaty of Union, British Columbia was allowed to retain its own Tariff until the Canadian Pacific Railway should be completed, but believing in the good faith of the Dominion, and being desirous of promoting Confederation in its true sense, the Province surrendered its Tariff in 1872, and adopted the Tariff of the Dominion.

Increase of Canada tariff \$100,000 a year.

14. That, since the Province adopted this course, the Tariff of the Dominion has been largely increased, to the serious injury of British Columbia, upon whom increased burdens have been thereby placed without any of the compensating advantages which are, in consequence of such increase, enjoyed by the Eastern Provinces of the Dominion.

Time expires July, 1881. No Railway equipped in province.

15. That the time originally agreed upon in the Treaty of Union, for constructing the Canadian Pacific Railway, will expire in July of this year without the terms thereof, as to railway construction, having been even approximately fulfilled, no portion of the Canadian Pacific Railway having up to the present time, been constructed and equipped in the Province.

Prayer: immediate commencement of E. and N. and Moody and Emory Sections. Province to be allowed to collect and retain its own tariff on customs and excise.

16. That, under the circumstances herein and in the said Addresses set forth, Your Petitioners humbly pray—

- (a.) That Your Majesty will be graciously pleased to cause the Dominion Government to be moved to carry out their Railway obligations to the Province, by providing for the immediate commencement and active prosecution of railway work on the section of the Canadian Pacific Railway lying between Esquimalt and Nanaimo, and by constructing the portion of line between Port Moody and Yale.
- (b.) That the Province be permitted to regulate and collect its own Tariff of Customs and Excise until through communication by Railway be established through British Territory with the Eastern Provinces:
- (c.) That in any event compensation be awarded by the Dominion to the Province for the losses inflicted upon the latter by reason of the breaches of agreements and delays herein referred to.

Compensation for losses.

And Your Petitioners, as in duty bound, will ever pray.

WITNESSETH

* See telegram, May 30, 80. Locomotive running for first time between Emory and Yale, distance 4 miles. This is incorrect as tracklaying had not been completed on June 4, 1881 between those places.

VICTORIA, BRITISH COLUMBIA, 25th March, 1881.



37-38 VICTORIA

CHAP. 2

An Act to authorize the raising of a Loan for the construction of certain Public Works, with the benefit of the Imperial Guarantee for a portion thereof.

[Assented to 26th May, 1874]

WHEREAS one of the terms and conditions on which the colony of British Columbia was admitted into union with the Dominion of Canada, by an Order of Her Majesty in Council of the sixteenth day of May, one thousand eight hundred and seventy-one, was that the Government of the Dominion should secure the construction of a railway (in this Act referred to as the Pacific Railway) to connect the seaboard of British Columbia with the railway system of Canada, in the manner more particularly mentioned in the schedules to the said order;

And whereas it is expedient to raise by way of loan for the purpose of the construction of the Pacific Railway, and also for the improvement and enlargement of the Canadian canals, a sum of money not exceeding eight million pounds sterling;

* * * * *

And whereas by the Act of the Parliament of the United Kingdom, known as "The Canada Defences Loan Act, 1870," the Treasury were authorized to guarantee the payment of the principal of such loan and of interest thereon at a rate not exceeding four per cent., but no portion of such loan has been raised, and no such guarantee has been given, or can, by reason of repeal of the Act last mentioned, hereafter be raised or given;

And whereas by the Act of the Parliament of the United Kingdom, known as "The Canada (Public Works) Loan Act, 1878," after the recital of the facts aforesaid, and that it is expedient to authorize the Treasury to guarantee a portion not exceeding two million five hundred thousand pounds of such loan of eight million pounds for the above-mentioned purposes, and to guarantee a further portion of the said loan not exceeding one million one hundred thousand pounds in subs-

titution for a guarantee of a loan under "The Canada Defences Loan Act, 1870," the said Act is repealed; and it is enacted that, subject to certain conditions to be observed by the Parliament of Canada, "the Treasury may guarantee in such manner and form and on such conditions as they think fit the payment of the principal of and interest (at a rate not exceeding four per cent. per annum) on all or any part of any loan raised by the Government of Canada for the purpose of the construction of the Pacific Railway, and the improvement and enlargement of the Canadian canals, so that the total amount so guaranteed from time to time do not exceed three million six hundred thousand pounds;"—and it is expedient to accept the said guarantee on the conditions mentioned in the said Act; Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Loan not exceeding £8,000,000 sterling authorized.

1. The Governor in Council may from time to time authorize the raising by way of loan, for the purposes of the construction of the Pacific Railway and of the improvement and enlargement of the Canadian canals, such sum or sums of money as it may from time to time be found expedient to raise for such purposes, not exceeding in the whole eight million pounds sterling; and the money so raised shall be appropriated and applied strictly to the purposes aforesaid, and to no other purpose whatsoever; and such appropriation shall be assured to the satisfaction of the Treasury, and separate accounts shall be kept of such money: Provided that the Governor in Council may authorize the advance out of the Consolidated Revenue Fund of such sums as it may be necessary to expend for the purposes aforesaid, before they are raised by loan under this Act, such advances to be repaid to the Consolidated Revenue Fund out of the said loan.

Proviso:
Advance from
Con. Rev
Fund until
loan is effect-
ed.

2.	*	*	*	*	*	*
3.	*	*	*	*	*	*

Treasury to be satisfied as to application of loan.

(4.) The due payment and application of the money raised by any loan guaranteed by the Treasury under the Act last mentioned shall be assured and certified in such manner as the Treasury may from time to time direct.

4.	*	*	*	*	*	*
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Short title.

5. This Act may be cited as "The Pacific Railway and Canals Loan Act, 1874."

CUSTOMS

AND

EXCISE ORDINANCES, 1867.

FROM THE LAWS OF BRITISH COLUMBIA, REVISED 1871.

No. 79.

An Ordinance to amend the Duties of Customs.

A.D. 1867.

[25th March, 1867.]

AMENDED BY
No. 134.
Preamble.

WHEREAS it is expedient to alter the Duties of Customs as now by Law established in British Columbia, and to make further provision for the levying thereof:

Be it enacted by the Governor of British Columbia, with the advice and consent of the Legislative Council thereof, as follows:—

1. The British Columbia Proclamation passed on the 2nd June, 1859, "The Customs Amendment Act, 1860," "The Customs Amendment Ordinance, 1864," "The Customs Amendment Ordinance, 1865," are hereby repealed. Repeals former Acts. Provided, nevertheless, that such repeal shall not be deemed to extend to any liabilities or penalties imposed and accruing, due under any of the said Proclamations, Acts, or Ordinances; but, notwithstanding such repeal, all remedies and punishments for recovering and enforcing such liabilities and penalties shall still remain in full force and effect, and be capable of being enforced and inflicted as if such Proclamations, Acts, and Ordinances were still in force, but not further or otherwise.

2. In lieu of the Duties hitherto chargeable as aforesaid, from and after the passing of this Ordinance, there shall be levied, assessed, collected, and paid to the use of Her Majesty, Her heirs and successors: Declares duties leviable.

(a.) Upon all goods, wares, merchandize, animals, and things imported into and landed in British Columbia, and more particularly mentioned in Schedule A. hereto, the several specific Duties in such Schedule set opposite the respective articles therein named: Specific Duties, Schedule A.

Ad valorem
Duties, Sched-
ule B.

(b.) And upon all goods, wares, merchandize, animals, and things imported into and landed in British Columbia, the several ad valorem Duties of Customs more particularly mentioned in Schedule B. hereto, and set opposite the respective articles therein named :

Free list,
Schedule C.

(c.) The articles mentioned in Schedule C hereto shall be admitted into British Columbia free of duty.

* * * * *

Schedules part
of Ordinance.

10. The Schedules hereto shall be read as part of this Ordinance.

Short Title.

11. This Ordinance may be cited for all purposes as the "Customs Ordinance, 1867."

SCHEDULE A.

Specific Duties.

Ale and Porter, in wood	15c. per gall.
Do., in bottle	30c. per doz. (qts.)
Bacon and Hams	4c. per lb.
Barley, Oats, Malt, and Field Peas	30c. per 100 lbs.
Beans and Split Peas	1c. per lb.
Bitters	\$1.50 per gall.
Butter	10c. per lb.
Bran and Shorts	25c. per 100 lbs.
Buck Wheat	1c. per lb.
Candles	5c. per lb.
Cheese	5c. per lb.
Cider	15c. per gall.
Cigars	\$2 per 100 (2c. each.)
Coal	\$1.25 per ton.
Coffee, raw	3c. per lb.
Do., manufactured	6c. per lb.
Cornmeal	½c. per lb.
Eggs	12½c. per doz.
Flour	\$1.50 per barrel.
Fresh Fruits, viz.:— Apples, Pears, Plums, Cherries, Currants, Raspberries, Strawberries, and Gooseberries.	1c. per lb.
Gunpowder, sporting	6c. per lb.
Do., blasting	8c. per lb.
Hay	\$4 per ton.
Hops	10c. per lb.
Lard	5c. per lb.
Lime	50c. per bbl.
Lumber:—	
Rough, fir and cedar	\$3 per 1000 feet.
Dressed, do.	\$5 per 1000 feet.
Shingles	\$1 per 1000.
Fence Pickets	\$2 per 1000.
Laths	\$1 per 1000.

[30 Vict.]

Customs.

[No. 79.]

A.D. 1867.

Live Stock :—

Horses and Mules.....	\$2 per head.
Beef Cattle.....	\$3 per head.
Milch Cows.....	\$2 per head.
Sheep and Goats.....	76c. per head.
Hogs.....	\$2 per head.
Oatmeal.....	1c. per lb.
Potatoes.....	½c. per lb.
Rice.....	1½c. per lb.
Sugar, raw.....	2c. per lb.
Do., refined.....	2½c. per lb.

Spirits :—

Brandy.....	\$2 per gall, according [to proof.
Gin, Whiskey, Rum.....	\$2 " " "
All other kinds.....	\$2 " " "

Shot.....	2c. per lb.
Tea.....	12½c. per lb.
Tobacco.....	25c. per lb.

Vegetables, viz. :—

Onions.....	2c. per lb.
Other kinds, fresh.....	1c. per lb.

Wheat.....	35c. per 100 lbs.
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Wines, viz. :—

Champagne and Moselle.....	\$3 per doz. (qts.)
China Medicated.....	\$1.50 per gall.
California, red and White.....	25c. per gall.
Claret.....	20c. per gall.
Port, Sherry, and a'l other descriptions.....	75c. per gall.

SCHEDULE B.

Ad valorem Duties.

PER CENT	PER CENT.
Axes..... 15	Groceries..... 12½
Beef, salt..... 10	Hardware and Ironmongery.... 12½
Billiard and Bagatelle Tables... 12½	Harness and Saddlery..... 20
Blanket..... 20	Hemp Canvas..... 2½
Boots and Shoes..... 20	Leather..... 15
Bread..... 20	Jewellery..... 20
Cards, playing..... 50	Machinery..... 10
Chocolate..... 20	Matches..... 12½
Clothing, ready made..... 15	Meat, preserved..... 12½
Confectionery..... 30	Do. fresh..... 20
Drugs, medicines..... 20	Molasses..... 12½
Dry Goods..... 12½	Nails..... 12½
Earthenware..... 12½	Nuts and Almonds..... 12½
Fish, preserved, dried, and salt.. 15	Oils..... 15
Firearms..... 12½	Opium..... 25
Fruits, preserved and dried..... 12½	Paints..... 10
Furniture..... 15	Pork, salt..... 10
Glass and Glassware..... 12½	Plants, trees, and shrubs..... 12½

PER CENT.		PER CENT.	
Poultry, dead and alive	25	Window Sashes and Doors	20
Quicksilver	10	Ship building material, viz. :—	
Rope, Cordage, and Twine	5	Manufactured Sails	20
Soap	15	Cotton Canvas	5
Stationery	12½	Woodenware	12½
Tinware	25	Yeast Powders	12½
Vegetables, preserved and salt..	10	All other articles not enumerated	
Waggons, Carriages	20	in either of the above..	
Trunks	12½	lists, nor in the following list	
Watches and Clocks	12½	of free goods	12½

SCHEDULE C.

The following Articles shall be admitted Free of Duty:—

Agricultural Implements, Books Printed and Manuscript, Bricks, all Fresh Fruits not enumerated in Schedule of Specific Duties, Coin, Gunny Sacks, Iron and Steel, all kinds of Wood not enumerated in Schedule of Specific Duties, Calves under twelve months old, Personal Effects, Salt, Garden Seeds, Grain for Seed, Tar and Pitch, Tin, Copper, and Zinc, Lead in pipe, sheets, and bars, Wire (Iron and Brass), Copper Sheets, Boiler Plates and Bolts, and Patent Metal for Ships, Iron Hoops, Sheet Iron, Rough and partially manufactured Woods used in construction of Carriages and Waggons, and Steel Springs, Wagon Axles, Anchors, Cables, Chains, and Copper Bolts for Ship Building, Fresh Fish, Fish Oil, Whalebone, Raw Hemp for Rope Making, Tallow, Gas Retorts, Fire-clay, Furs, Hides, Lemon and Lime Juice, Guano, Wool, Oakum and Jute, Ships' Blocks and Junk, Blacksmiths' Coal.

No. 91.

An Ordinance to Regulate Excise in all parts of the Colony.

[2nd April, 1867.]

Preamble.

WHEREAS it is expedient to assimilate the Law of Excise in all parts of the Colony :

Be it enacted by the Governor of British Columbia, with the advice and consent of the Legislative Council thereof, as follows:—

Repeals former Acts.

1. The British Columbia "Distillers' Excise Act, 1861," and "The Distillers' Ordinance, 1865," are hereby repealed, but such repeal shall not affect any rights acquired or penalties or liabilities incurred under such Act or Ordinance, but the same shall be respectively held enforceable and recoverable as if such repeal had not taken place.

License Fee.

5. The party in whose favour a license to act as Distiller is granted shall, on requiring such license, pay to the Magistrate issuing the same the sum of twenty-five dollars, as a duty to Her Majesty upon such license.

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12 All such Spirits as aforesaid lawfully distilled, manufactured, or made within the Colony shall be respectively subject to the duty to Her Majesty hereinafter mentioned, that is to say:—
On every gallon, Imperial measure, of Spirits of any kind, not exceeding the strength of proof by Syke's Hydrometer, and so in proportion for any greater strength than the strength of proof, and for any greater or less quantity than a gallon, one dollar, and such duty shall be computed and charged upon the quantity of Spirits, to be ascertained after the first process of rectification, and shall be paid by the party distilling, manufacturing, or making such Spirits, to the Magistrates, in the manner hereinafter mentioned.

Duty of \$1 per
gall. on spirits.

42. This Ordinance may be cited for all purposes as "The Excise Ordinance, 1867."

Duty:—

No. 134.

An Ordinance to create a further Duty of Customs for the Public Service.

[20th April, 1870.]

Repealed by
No. 153 when
assented to by
Her Majesty.

Preamble.

WHEREAS it is expedient to raise a further sum of money for the Public Service of the Colony, by altering the duty now imposed on spirits:

Be it enacted by the Governor of British Columbia, with the advice and consent of the Legislative Council thereof, as follows:—

1. On and after the 20th day of April, A.D., 1870, in lieu of the Duties of Customs now leviable upon spirits and strong waters imported into British Columbia, there shall be assessed, levied, collected, and paid upon all spirits and strong waters so imported on or after the said 20th day of April, A.D. 1870, and sweetened or otherwise, for every Imperial gallon of full strength of proof, or less, by Syke's hydrometer, and in proportion for any greater or less quantity than a gallon, the sum of two dollars and fifty cents. For the purposes of this Ordinance, all spirits and strong waters as aforesaid in Bond on and after the said 20th day of April, A.D. 1870, shall be liable to the payment of the said duty.

Imposes a duty
of \$2.50 per
gallon on
Spirits.

4. This Ordinance may be cited for all purposes as "The Customs Amendment Ordinance, 1870."

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EXTRACTS

FROM THE

‘VANCOUVER ISLAND PILOT.’

—

Compiled from the Surveys made by Captain George Henry Richards, R.N., in H.M.'s Ships "Plumper" and "Hecate," between the years 1853 and 1864, and published by order of the Lords Commissioners of the Admiralty—(pp. 68-70 and 108-117).

—

DODD NARROWS may be said to commence above Round Island, although the narrowest part is a mile distant from it. To small vessels or steamers of sufficient power that obey their helm quickly, this narrow pass offers no dangers. The strength of the tide at its greatest rush is above 8 knots, the least depth of water 7 fathoms, and the narrowest part of the channel is 80 yards wide; but this is for a short distance, and the pass being nearly straight, a vessel is carried through in a few moments.

Anchorage.—If bound through Dodd Narrows, and having to wait for tide, there is a fair anchorage with but little tide, westward of Round Island in 6 fathoms, midway between it and the shore.

Percy anchorage is a good stopping place for the tide, immediately on the north side of the Narrows, between Gabriola and Mudge Islands; the latter separates the False from Dodd Narrows.

Directions.—In proceeding from Dodd Narrows from abreast Portier Pass, the mid-channel course is W.N.W. for about 3 miles, or until Ragged Island and Reef Point of Thotis Island are in one bearing S.W. by S.

The most direct course is northward of Danger Reef, between it and Tree Island; the latter is a small, round, wooded islet lying off the south end of De Courcy Islands. This passage is two-thirds of a mile wide, with a depth of 25 to 30 fathoms.

Danger Reef consists of two rocky patches a cable's length apart, the eastern one generally awash, and should not be approached within a cable where there are 9 fathoms; if the reef should not be seen it is recommended to pass Tree Island at the distance of a quarter of a mile; there is deep water between it and De Courcy Islands.

The passage between White Rock and Danger Reef is likewise a very good one; it is three-quarters of a mile wide, with a depth of 20 to 30 fathoms. White Rock is 15 feet high, and may be passed if necessary on either side at the distance of a cable. The southern side of Danger Reef should be given a berth of at least 2 cables. When the passage between Tree Island and the south point of De Courcy Islands is open, the former bearing E.N.E., a vessel will be northward of Danger Reef. When a mid-channel course for Dodd Narrows is N.W. by W. and the distance 5 miles, Round Island at their entrance will shortly be seen ahead.

In passing up, keep on the starboard or eastern side of Round Island at a convenient distance; the only directions necessary after this are to keep in mid-channel, and to attend the steerage quickly and carefully. Immediately through the

Narrows the tide ceases, and a vessel will be in Northumberland Channel, a fine wide passage leading to, and only 5 miles from, the anchorage at Nanaimo.

In taking the Narrows from the northward, be careful not to mistake the False Narrows, which are on the port or northern side of Northumberland Channel, and are much wider than the real pass, but nearly dry at low water. The Dodd Narrows are not so easy to pass from the north as from the south, as in the former case the slight bend that has to be made must be made immediately on entering the narrow part. The tides should be studied in passing either way. It is not recommended to attempt it with the full rush of the stream; an hour before or after low water there is no difficulty to a steam vessel.

Tides.—It is high water in the Narrows on full and change days at 3h. 30m. p.m., and low water at 9h. 30m. a.m., and on those days the flood stream commences at low water and runs about 7 hours. The first of the flood is the best time to pass the Narrows. Vessels leaving Nanaimo and intending to pass down, should be at the Narrows an hour before high or low water, as the tides are nearly an hour earlier at the Narrows.

PYLADES CHANNEL.—The De Courcy Islands are a group extending $4\frac{1}{2}$ miles in an E.S.E. direction from Mudge Island, which separates the False from Dodd Narrows, and on their northern side, between them and Valdes Island, is Pylades Channel, which leads by the Gabriola Pass into the Strait of Georgia, as well as to the entrance of the False Narrows. The average breadth of the channel is a mile, with a depth of 35 fathoms, and at its head, near the entrance to the False Narrows, is good anchorage in 9 fathoms, convenient for vessels intending to take Gabriola Pass and waiting for tide.

False Narrows are full of kelp and shoal at low water, affording only a boat passage into Northumberland Channel. The passages between the DeCourcy Islands are deep and navigable; that between the north and middle island is half a mile wide, and free from danger; the narrow pass between the middle and south island is scarcely a cable wide, but has a depth of 5 fathoms.

GABRIOLA PASS, between the south end of Gabriola Island and the north end of Valdes Island, is not recommended, unless for coasting vessels knowing the locality, or steamers, if necessary, for it is a narrow and intricate channel, something of the same character as Dodd Narrows, except that it is a much longer reach. Its direction is E.N.E. for over a mile, its narrowest part is not over 250 yards in breadth, and the shoalest water is 6 fathoms; half a mile E.N.E. from this narrow the course changes to S.E. by E. leaving a narrow ridge of low wooded islands on the starboard hand, off which a chain of covering rocks marked by kelp extend for nearly 2 cables; two-thirds of a mile on this course leads into the Strait of Georgia, when the Gabriola Reefs must be avoided. These latter are an extensive group of rocks, uncovering at low water, at $1\frac{1}{2}$ miles eastward of the Flat Top Islands; much broken ground exists in their neighbourhood, and it is desirable to give them a good berth.

BURRARD INLET is the first great harbour which indents the shores of British Columbia north of the 49th parallel. Its entrance, which is between Grey Point on the south and Atkinson Point on the north, is 14 miles N.N.W. from the sand heads of the Fraser River, 20 miles N. by E. from Portier Pass, and 21 miles N.E. $\frac{3}{4}$ E. from Entrance Island of Nanaimo. Howe Sound immediately adjoins it on the north, Atkinson Point, the northern entrance point of the Inlet, being the eastern limit of the sound.

The entrance of the Inlet is well marked; Grey Point, a long wooded promontory terminating in a rounded bluff, is very conspicuous from the southward, while Bowen Island, which lies at the entrance of Howe Sound, and may also be said to form the northern boundary of the Inlet, is very remarkable; its high round and almost bare summit, Mount Gardner, reaching an elevation of 2,479 feet, is easily recognized from

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any point of view. Passage Island, small but prominent, lies in the eastern passage of Howe Sound, midway between Bowen Island and Atkinson Point, and is an excellent mark from the southward; as before observed (p. 106) Anvil Peak, on with or just open westward of this island bearing N. by W. $\frac{3}{4}$ W., clears the end of Sturgeon Bank.

Burrard Inlet differs from most of the great sounds of the coast in being extremely easy of access to vessels of any size or class, and in the convenient depth of water for anchorage which may be found in almost every part of it; its close proximity to Fraser River, with the great facilities for constructing roads between the two places, likewise adds considerably to its importance. It is divided into three distinct harbours, viz.: English Bay or the outer anchorage, Coal Harbour above the Narrows, and Port Moody at the head of the eastern arm of the Inlet.

ENGLISH BAY is more than 3 miles in breadth at the entrance between Grey and Atkinson points, which bear from each other N.N.W. and S.S.E., and carries the same breadth for nearly its entire length or almost 4 miles; it is contracted in some measure, however, by the Spanish Bank, which extends in a northerly direction from Grey Point for three-quarters of a mile, and then curves easterly, joining the south shore of the Inlet the distance of 2 miles within the point. This bank is composed of hard sand, and is dry at low water; its edge is steep-to, having off it from 20 to 7 fathoms and then on shore; when covered its existence would not be suspected; there is no ripple on it unless with strong westerly winds, and then only near low water.

This anchorage is well protected from westerly winds by the Spanish Bank, and as there is a good rise and fall of tide, as much as 16 feet at springs, and a clean, shelving, sandy beach at the creek mentioned in page 110, it would be a desirable place to beach a ship for repairs. The head of English Bay, on the south shore, terminates in a shoal arm, named False Creek; on the north shore it leads by the First Narrows to Coal Harbour. The great volume of water which discharges itself from the upper parts of the Inlet through these Narrows has scoured out a deep channel on the north side of the outer anchorage, and from 15 to 30 fathoms will be found northward of a line drawn westerly through the centre of the bay.

Directions.—Entering Burrard Inlet from the southward, Grey Point should not be approached within a mile, as a 3-fathom bank extends westward of it for half a mile; when the extreme of the bluff bears S.E. $\frac{1}{2}$ S., and the north end of Coal Peninsula, which is a conspicuous perpendicular, cliffy, bluff, forming the point of the First Narrows, is N.E. by E., steer E.N.E., which will lead half a mile clear of the Spanish Bank. A convenient anchorage will be found half a mile from the south shore off a small stream or creek, with the extreme of the Coal Peninsula bearing N. by E. in 7 or 8 fathoms, or higher up if desired; a remarkable high Nine-pin Rock stands immediately off the end of Coal Peninsula, when the rock is just shut in by the point bearing N. by W. $\frac{1}{2}$ W. a vessel will be far enough up.

COAL HARBOUR is on the south side of the Inlet, 2 miles within the First Narrows. Vessels intending to pass above the Narrows must attend to the tides, and a stranger will do well to anchor in English Bay before proceeding higher up.

The First Narrows lie between the bluff of Coal Peninsula and the north side of the Inlet, where the breadth of the channel is not more than $1\frac{1}{2}$ cables with a depth of 12 fathoms. A flat composed of shingle and boulder stones, covering with the early flood, extends off the north shore, so that the peninsula bluff must be kept pretty close aboard; when at the entrance of the Narrows, the mid-channel course is E. by S. $\frac{1}{2}$ S. for $1\frac{1}{2}$ miles, when the broad inlet is again reached.

The narrow part of the channel is half a mile in length, when it gradually opens out from 2 cables to half a mile, which is the breadth abreast of Brockton Point, $1\frac{1}{2}$ miles within the peninsula bluff on the south shore. During the whole way the south shore should be kept aboard within 2 cables when past the narrowest part until abreast Brockton Point; then steer E. by S. for half a mile to avoid Burnaby

Shoal, a patch marked by kelp, with 9 feet on it, which lies E. $\frac{1}{2}$ S. 3 cables from the point, but frequently not visible until close upon it. Having cleared this shoal, haul in south for the anchorage, where 8 fathoms good holding ground will be found a third of a mile from the shore.

The strength of the tide in the narrowest part of the First Narrows is from 4 to 8 knots. The only directions necessary for a steamer are to keep the south shore aboard and to be quick and careful with the helm; small craft may go through with ease, the tide being favourable; to a sailing ship a knowledge of the locality is necessary, as well as a commanding breeze, and it should never be attempted with the full strength of the stream.

Tides.—It is high water, full and change at Burrard Inlet at 6 p.m., and the rise is 16 feet. The ebb stream commences directly it is high water by the shore, and runs out for 2 hours after it is low, there is consequently only 4 hours' flood stream.

SECOND NARROWS.—Between the First and Second Narrows, a distance of $4\frac{1}{2}$ miles, the course of the Inlet is E. $\frac{1}{2}$ N., varying in breadth from a half to $1\frac{1}{2}$ miles. In the centre the depth is 38 fathoms, shoaling gradually towards either shore; but Coal Harbour, or near the south shore, offers the best anchorage.

The Second Narrows are similar to the First; a bank of the same description, but more extensive, is caused by the deposit brought down from the high mountains by the numerous streams which empty themselves into the Inlet on the north side. This bank is dry at low water, and the breadth of the deep channel, at the narrowest part, and for half a mile on either side of it, varies from 1 to 2 cables, with a depth of from 10 to 20 fathoms. The channel, however, is straight, and the tides which run from 3 to 7 knots set fairly through it. The only directions necessary are to keep the south shore close aboard, and steer from point to point without going far into the bights, which indent the coast on either side of the narrowest part. The great strength of the tide ceases when half a mile from the narrowest part of either narrows.

PORT MOODY.—The entrance of this snug harbour is 4 miles eastward of the Second Narrows, at the head of the eastern arm of the Inlet. It is 3 miles in length, and varies in breadth from a third to half a mile, except at its entrance, where it is only 2 cables across; there are no dangers and a uniform depth of water, with good holding ground. The direction of the port is N.E. by E. $\frac{1}{2}$ E. for nearly 2 miles, and then E. by S. for a mile, terminating in a muddy flat at its head, which reaches within 3 miles of the banks of Pitt River, and about 4 miles from the military camp at New Westminster, on the Fraser. The best anchorage is in the widest part of the harbour, just before reaching the arm which turns E. by S. in from 5 to 6 fathoms, about half a mile from the trail which leads to New Westminster. Abreast the turning point, and on the north shore, a bank dries off for nearly 2 cables at low water, on which good oysters are found.

NORTH ARM, just before reaching Port Moody, and 3 miles above the Second Narrows, branches off from the main Inlet, and runs in a general northerly direction for 11 miles. It is entirely different in its character from other portions of the Inlet. The depth of water varies from 50 to 110 fathoms, and it is enclosed on both sides by rugged mountains rising from 2,000 to 5,000 feet almost perpendicularly, and down the steep sides of which the melting snow in summer forces its way in foaming cascades, rendering the surface water in the Inlet below all but fresh.

Croker Island lies within a mile of the head of the arm, and on either side of it there is a deep but narrow channel; that to the eastward is the widest. The head terminates in a delta of swampy rushes, through which some rapid streams find their way into the Inlet from a deep and narrow gorge in a N.N.W. direction.

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There is scarcely sufficient level land in this arm to pitch a tent, nor is there any anchorage except in a narrow creek 2 miles within the entrance, on the eastern shore, named Bedwell Bay, where from 7 to 9 fathoms may be found near its head. The breadth of the North Arm at the entrance is nearly a mile; a mile within it is contracted to a little over 2 cables, when it shortly opens out again, and maintains an average breadth of two thirds of a mile to Croker Island near the head.

Water.—During the winter months fresh water is to be obtained in all parts of Burrard Inlet, and probably the whole year round there would be no scarcity; in June there is abundance at the creek in English Bay, off which is the anchorage.

In Port Moody there is a fine stream close to the oyster bank.

SOUTHERN SHORE OF THE STRAIT OF GEORGIA.

GABRIOLA REEFS are a dangerous cluster of rocks, some of which cover at half flood, others having a few feet water over them. They lie 2 miles off the eastern point of Gabriola Island, 8 miles below the entrance of Nanaimo Harbour, and cover a space of half a mile. From the north point of Portier Pass, the outer extremity of the reef bears N. W. $\frac{1}{2}$ N. 8 miles; and from the easternmost of the Flattop Islands, a group of low-wooded islets lying close off the east end of Gabriola Island, E. $\frac{1}{4}$ S. $1\frac{1}{2}$ miles. There is a passage inside the reefs, but it is not recommended. If the reefs should be covered, which they generally are, when the northernmost Flattop Island bears S. W. by W., a vessel will be a mile to the northward of them. A good mark is, Nanoose or Notch Hill just open off Berry Point, the northeast point of Gabriola Island, bearing W. $\frac{1}{2}$ S., which will also lead a mile northward of them.*

But as these marks are not always visible, perhaps those most convenient for vessels coming from the southward are to keep the north and south west entrance points of Portier Pass just touching, on a bearing S. S. E. $\frac{1}{4}$ E., which will lead more than a mile eastward, and working up, while the first summit of Gabriola Island inside Berry Point is open clear of the Flattop Islands, the reef will just be cleared.

Westward of Flattop Island the shore of Gabriola is *bold until near Berry Point* and Entrance Island, when it should not be approached within a long half mile; foul ground extends for some distance eastward of the point of the island.

ENTRANCE ISLAND lies half a mile N. N. E. of Berry Point, the north-east extreme of Gabriola Island. It is rocky, 30 feet high, formed of sandstone, bare of trees, but has some vegetation on it. Vessels passing up the Strait bound for Nanaimo should round this island; there is a deep passage between it and Berry Point, named Forwood Channel, something more than 2 cables in breadth, which steamers or small craft may use, but the south and west sides of Entrance Island must be avoided, as reefs and broken ground extend 2 cables off them.

Having rounded this island at the distance of half a mile, or more if convenient, the entrance of Nanaimo Harbour will be distant 5 miles. There are 3 channels leading to the harbour, viz., Fairway, Middle and Inner. Fairway Channel is the most convenient for vessels bound to Nanaimo from the southward or eastward; but Middle Channel is certainly the safest and most desirable for vessels from the northward.

FAIRWAY CHANNEL is the most direct for vessels entering from the southward or eastward. It lies between the shore of Gabriola and Lighthouse Islands, which is a smooth-topped, grassy, sandstone island, 3 cables in extent north and south, about 50 feet high, and bears from Entrance Island W. by S. $\frac{1}{4}$ S. 3 miles. A ledge of rocks 4 cables long, in a north and south direction, lies E. S. E. nearly half a mile from the island; the least depth of water is 9 feet on its northern edge, and 20 feet on the southern. The ledge is generally covered with streaming kelp, and

* See View on Chart, Strait of Georgia, Sheet 1, No. 597.

has a channel of 7 fathoms water between it and the island; its north edge bears from the south point of Lighthouse Island, N.E. by E., 3 cables, and its south end E.S.E., nearly half a mile.

The breadth of Fairway Channel, between this ledge and Rocky Point of Gabriola Island, is full three-quarters of a mile; for a distance of 2 cables off the latter point from 4 to 7 fathoms rocky bottom will be found where occasionally kelp grows, but nothing exists which would bring a ship up. A mid-channel course is recommended, which from a berth half a mile off Entrance Island, is S.W. $\frac{1}{2}$ W. 3 miles, the water is deep, and the bottom irregular, varying from 15 to 40 fathoms; if to the southward of mid-channel it will shoal to 15 fathoms, and shortly to 8 fathoms off Rocky Point.

Directions.—Having entered the Strait of Georgiu, between East Point of Saturna and Pato's Island, a W.N.W. course for 38 miles will lead nearly 3 miles outside Gabriola Reef, and abreast Entrance Island, the latter bearing S.W., distant 5 miles. A vessel proceeding through Fairway Channel, if northward of mid-channel, must keep a look-out for the kelp on Lighthouse Island ledge; when Lighthouse Island bears N.W. steer S. $\frac{1}{2}$ W. which leads for the entrance of Nanaimo Harbour, distant a little over 2 miles. Strangers should be careful not to mistake for it Northumberland Channel, which latter lies from Lighthouse Island in a S.S.E. direction, between the high cliffy west coast of Gabriola Island and Sharp Point, a remarkable narrow projection on the main, and off which, at the distance of half a cable, is a rock which uncovers.

Having passed between Lighthouse and Gabriola Islands, there is a good working space of $1\frac{1}{2}$ miles in breadth, between Gabriola on the east and Newcastle and Protection Islands on the west, but the water is too deep for anchorage. The shores of the latter island should not be approached within a quarter of a mile, as shoal rocky ledges extend off them. Having brought Gallows Point, the southern extreme of Protection Island to bear S.W. $\frac{1}{2}$ W., the town will open out.

A vessel may anchor, if necessary, with the high water mark of Gallows Point, bearing W.N.W., distant a quarter of a mile, which will be in the fairway of the entrance, but it is difficult for a sailing vessel to pick up a berth here with a strong breeze, as the space for anchorage is confined.

NANAIMO HARBOUR, when the banks are covered, gives the idea of a large sheet of water, but the deep part is limited.

The entrance lies between Gallows Point and the southern bank. A rocky ledge extends for $1\frac{1}{2}$ cables on every side of the point, and, in summer, is marked by kelp; a large boulder stands on the ledge off the point, distant 150 yards, and covers before high water. The south side of the channel is the northern edge of the great shallow bay to the southward, which, although it does not quite dry in this part, has only 2 or 3 feet on it at low water, and is steep-to. The entrance is here marked on either side by a spar buoy, about a cable apart in a north and south direction; within them the harbour opens out, but in its centre is the middle bank, 2 cables long in a northerly direction, and half a cable broad, with a spar buoy on either end. Two narrow winding channels, the north and south, lead into the usual anchorage, which is close off the town, and westward of middle bank; both are buoyed in the vicinity of the latter, but no stranger should enter either channel without a pilot.*

A remarkably white patch on the cliffy shore of Gabriola Island, just open northward of the extreme of Sharp Point, the latter bearing E. by N. $\frac{1}{2}$ N., leads through the channel until near Gallows Point, which should be rounded at a little more than a cable's length. In the north channel, two spar buoys will then be seen, a cable's length apart, the southern one on the north end of the middle bank, the north one on the south edge of the Satellite Reef; steer about W. to pass between

* See Plan of Nanaimo Harbour and Departure Bay, No. 2, 512; scale, m. = 4 inches.

them, then haul close round the southern buoy and steer for the Mine chimney. Anchor close off the town in 5 fathoms, midway between the buoy and Beacon Rock, which dries at low water, and has a buoy on it. The south channel, though of sufficient depth for large vessels, has a somewhat sharp turn at its western end, but is very convenient for vessels leaving with a northerly wind, when they would be obliged to warp out of the north channel.

Coal.—The mines of Nanaimo produce a fair bituminous coal, which answers well for steaming purposes. It is lighter by about ten per cent. than Welsh coal, and its consumption proportionately rapid. The working of the mines have not yet been undertaken on a scale commensurate with their importance, probably owing to the demand having been hitherto comparatively small. As the quality of the coal, however, is becoming better known, the demand is rapidly increasing; it is now exported to California in large quantities, and ships are inconveniently detained waiting for cargoes. Some new and very promising seams have lately been discovered by boring, and the quality is said to be superior to any hitherto found.

Newcastle Island produces large quantities, and the mines there are being rather extensively worked. The Nanaimo coal is far superior to any that has yet been discovered or worked in this country, and there can be little doubt but that it exists in sufficient quantities to supply the whole Pacific coast for almost an indefinite period.

The present price is 25 shillings, or 6 dollars per ton.

DEPARTURE BAY.—A long narrow channel or arm between Newcastle Island and the main leads in a N.W. direction from Nanaimo Harbour to Departure Bay. It is $1\frac{1}{2}$ miles in length, and a cable in breadth, with 12 feet at low water, except on a rock, which has only 2 feet on it, lying in the centre, 2 cables north-westward of Rocky Point, the south Point of Newcastle Island. Vessels of 15 or 16 feet draught may enter Departure Bay by this channel at suitable times of tide, but large vessels must enter northward of Newcastle Island.

From Lighthouse Island, the entrance of Departure Bay bears S.W. $\frac{1}{2}$ W., distant 2 miles, and lies between the steep, clifty, north point of Newcastle Island and a small island to the northward of it. The breadth of this channel is 3 cables, and the depth 20 fathoms. Little less than this depth will be found in any part of the bay, and it is not nearly so sheltered as Nanaimo Harbour.

Vessels intending to load with coals, and there is no other inducement to anchor here, should bring the steep, north point of Newcastle Island to bear N. by E., and anchor in not less than 18 fathoms, off the coal mine, 2 cables from the shore; the bank runs up steep within this depth, and shoals from 12 to 2 fathoms. Unless anchored well out, a vessel is liable, with northwest winds, to tail on the bank; and ships are not recommended to lie here after they have got their cargo in. A stranger should take a pilot for the coaling station in Departure Bay, either from outside or in Nanaimo Harbour.

MIDDLE CHANNEL lies between Lighthouse and Five Finger Island, $1\frac{1}{2}$ miles W.N.W. from it. The latter is a bare, rugged islet of about the same dimensions as the former, but of trap formation, instead of sandstone; the five hummocks on it resemble knuckles more than fingers. The channel is perfectly free from danger, and has a depth of 80 fathoms, passing through the centre of it, a S.S.E. course leads for Nanaimo Harbour, between Protection Island and Sharp Point.

S.S.W. of Five Finger Island are three smaller islets of similar character and formation, with some rocks about them, which uncover. These islets and rocks occupy a space of half a mile in a W.N.W. and E.S.E. direction; there is a passage 3 cables wide between them and Five Finger Island with irregular rocky bottom, the soundings varying from 9 to 35 fathoms; it is not recommended, but if used, Five Finger Island should be kept aboard.

Inner Channel, 4 cables in breadth, lies between the above islets and the shore of the main, and, being more direct, is convenient for steamers or small craft bound to or from the northward; the mid-channel course through it is N. W.

Tides.—It is high water, full and change, at Nanaimo Harbour about 5 p.m., and the range of tide is sometimes 16 feet which is as much as is met with anywhere on the coast and makes this a most eligible spot for the construction of docks for which it offers peculiar facilities. This great range of tide only occurs at midnight during winter and in the daytime in summer. The superior and inferior tides exist here as they do at Esquimalt and among the Haro Archipelago. On the opposite coast at Burrard Inlet, this irregularity does not exist.

NORTHUMBERLAND CHANNEL, before mentioned as lying between Sharp Point and the western shore of Gabriola Island, runs in a S. E. direction for $1\frac{1}{2}$ miles, and then east for 2 miles, when it enters the Dodd and False Narrows, the former on the south side of Mudge Island, the latter on the north; a rock which uncovers extends half a cable off the extreme of Sharp Point. False Narrows are shoal with no ship passage, but there is excellent anchorage in Percy Bay at their western entrance, in from 7 to 10 fathoms, where vessels may lie to wait the tide through Dodd Narrows.

Dodd Narrows have been already described from the southward; they communicate with the inner channels leading to the southern ports, and save a distance of 20 miles in the passage from Nanaimo to Victoria or Esquimalt; they are consequently frequented by boats, all small vessels, and sometimes by steam vessels of considerable size acquainted with the locality. Strangers are not recommended to use them. Coming down Northumberland Channel, look out for the narrow entrance on the south side, and when it bears S. E. steer for it; the tides run at their strongest 8 knots, and there is a very short interval of slack water; the breadth in the narrowest part is 80 yards. The tides in Dodd Narrows are about an hour earlier than at Nanaimo, therefore a vessel intending to pass down should be at the Narrows an hour before high water at that place, if going through with the first of the ebb, or two hours before low water if with the last of it.

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EXTRACTS

FROM THE

"VANCOUVER ISLAND PILOT."

Compiled from the Surveys made by Captain George Henry Richards, R.N., in H.M.'s Ships "Plumper" and "Hecate," between the years 1858 and 1864, and published by order of the Lords Commissioners of the Admiralty—'pp. 18-23).

RACE ISLANDS TO ESQUIMALT HARBOUR.—After rounding Race Island lighthouse at the distance of a mile, the course for Esquimalt Harbour is N. $\frac{1}{2}$ W. $8\frac{1}{2}$ miles. The lighthouse on Fisgard Island, a white tower elevated 70 feet above the sea, at the western entrance point of the harbour, is very conspicuous, and will be seen immediately on rounding the Race Islands. A course direct for it will clear all dangers, but attention must be paid to the set of the tides. The ebb runs almost directly from the Haro and neighbouring straits towards the Race Islands, and a sailing vessel, unless with a commanding wind, should give them a berth of more than a mile, and steer N.E. by N. for 3 or 4 miles before she bears up for the harbour. The flood sets in the opposite direction to the N.E., and with light winds vessels are liable to be carried to the eastward, and if near to the Vancouver Island shore, up Haro Channel, where the water is generally too deep for anchorage; therefore, with the flood, the coast of Parry Bay should be kept aboard if possible, where good anchorage may be had in moderate weather, and with all westerly winds, less than a mile from the shore in 10 fathoms.

By night, when Fisgard Island light bears N. by W., a vessel may steer boldly for it. The only precaution necessary is to keep the white light in full view; if it becomes dim or shaded, she is getting too near the shore, and should immediately haul out to the eastward until it is again distinctly seen. The two lights, by their bearings, will immediately show a vessel how she is being affected by the tides.

Entering Esquimalt Harbour, the Fisgard Island light should be left from 1 to 2 cables on the port hand; when it bears N.W. by W. $\frac{1}{2}$ W. the light changes from white to red and shows the latter color within the harbour, and when it bears S. by W. at a convenient distance, a vessel may anchor in 7 fathoms or stand into Constance Cove, if preferred. The Seroggs Rocks on the eastern side of the entrance of the harbour must be avoided; they bear E.S.E. from Fisgard Island, distant nearly 4 cables. If not desiring to enter the harbour at night, good anchorage may be had in Royal Roads in 9 fathoms, Fisgard Island light bearing N. by W. from half a mile to a mile.

The entrance of Victoria Harbour being only 2 miles eastward of Esquimalt, the same precautions are necessary as regards the tides. The course from a mile off the Race Islands is N. $\frac{1}{2}$ E. During day-time, Christ Church, a conspicuous white building with a spire and standing on an eminence, will be seen shortly after rounding these islands, bearing N. by E.; it should be kept just on the starboard bow. At night or during bad weather it is strongly recommended not to run for this harbour, as it can only be entered at certain stages of the tide, and the anchorage outside is at such times exposed and unsafe, while *Royal Bay or Esquimalt Harbour is always available and safe*. But if it is decided to run for Victoria, it must be borne in mind that when Fisgard Island light changes from white to red, a vessel will be very near the shore*.

* See chart of Haro and Rosario Straits, No. 2,689, scale m. = 0.5 inch; and plan of Haro Strait and middle channel, No. 2,840; scale m. = 1 inch.

BENTINCK ISLAND, lying close off the south-east point of Vancouver Island, is little over half a mile in extent and irregularly shaped, being almost divided in the centre by a narrow neck. It is about 100 feet high, and, like the adjacent land, covered with pine trees. Its southern and eastern sides are fringed with kelp, outside which there are no dangers beyond those described in the Race Channel. Between it and the mainland is a boat channel, and coasters acquainted with the locality find shelter at its eastern entrance. There are some settlers' houses in the neighbourhood.

Between Bentinck Island and Esquimalt Harbour, a distance of 8 miles, the coast is indented by several bays, and anchorage may be obtained in 8 to 10 fathoms anywhere within a mile of the shore, except immediately off Albert Head; the only danger is a reef lying about a cable's length off the head.

PEDDER BAY, the first of these indentations, has its entrance immediately northward of Bentinck Island, 2 miles N.N.W. of the Great Race, between Cape Calver and William Head, where its breadth is three quarters of a mile; the inlet runs to the W.N.W. for 2 miles, narrowing rapidly, and when half a mile within is only fit for small craft, which may find good shelter at its head. Vessels of any size may anchor in the entrance in 7 fathoms, with Cape Calver, its southern point, bearing S.E. by S., distant about half a mile, but though the holding ground is good, it is open to all winds from N.N.E. round E. to S.S.E., and with a S.E. gale would neither be a desirable nor safe anchorage.*

PARRY BAY, immediately northward of William Head, affords good anchorage with all westerly winds. Vessels bound to sea and meeting with a strong wind from this quarter are recommended to return here; the anchorage is in 9 fathoms, from half to three-quarters of a mile off the sandy beach, with William Head bearing S.W. by S. about the same distance. With a south-east wind there is ample room to weigh, which a vessel should immediately do, and if not able to round the Race Islands and proceed to sea, run for Esquimalt Harbour.

Albert Head, the north point of the bay, is moderately high, sloping to the sea, bare of trees at its extreme, but wooded immediately behind; a reef lies a cable off it. William Head somewhat resembles it, but is lower. The water is too deep for anchorage immediately off these heads.

ROYAL BAY OR ROADS, of which Albert Head is the southern point, and the entrance to Esquimalt Harbour; the northern limit is a fine sheet of water 3 miles in extent, and affords good anchorage with all winds which would prevent a vessel from entering that harbour; a vessel may anchor anywhere within three-quarters of a mile from the western shore. A good berth is a mile south of Duntze Head with the entrance open, or Thetis Cottage just open of Inskip Rocks (in the harbour), which is the leading mark for clearing the Scroggs Rocks running in or out.

Light.—A lighthouse is erected on Figgard Island, a small rocky islet 25 feet high, and almost connected with the shore, forming the western entrance point of Esquimalt Harbour; the tower is of brick, white-washed, and is elevated 70 feet above the mean level of the sea, with a red brick dwelling-house adjoining. The light is fixed and of the 4th order; it shows *white* when bearing from N. $\frac{1}{4}$ W. to N.W. by W. $\frac{1}{4}$ W.; *red* from N.W. by W. $\frac{1}{4}$ W. to S. $\frac{1}{4}$ E., and *green* from N. $\frac{1}{4}$ W. to N. by E. $\frac{3}{4}$ E. The white light is intended to guide a vessel in from seaward, and while visible clears alike the western coast between Race Island and Esquimalt, and the southern shore with its off-lying dangers, Scroggs Rocks and Brocthy Ledge, between Duntze Head and Trial Island. The red light will be found useful by vessels bound to Victoria or Esquimalt from the eastward; after rounding Trial Island it will indicate a vessel's distance from the shore, and if bound to Esquimalt, a W.S.W. course will lead a safe distance outside Brocthy Ledge, until the light changes from red to white, when it may be steered for and not before. A green ray of light is thrown up the harbour between the Whale Rock and the western shore, and leads westward or inside the line of that Rock.

* See plan of Pedder Bay, No. 1,926; scale m.=4.0 inches.

ESQUIMALT HARBOUR is a safe and excellent anchorage for ships of any size, and with the aid of the light on Fisgard Island may be entered at all times with great facility. The entrance, which bears north $8\frac{1}{2}$ miles from the lighthouse on Great Race Island, is between Fisgard Island and Duntze Head, and is 3 cables in breadth, opening out immediately within.*

The only dangers are the Scroggs Rocks which lie on the eastern side, S.S.E. 3 cables from Duntze Head, and cover at three quarters flood. Inskip Islands kept well open of the head leads clear to the westward of them, but the best mark for entering with a leading wind is Thetis Cottage, a conspicuous white building on Dyke Point, just open or on with the western Inskip Rock, bearing N. by W. $\frac{1}{4}$ W. which leads in mid-channel.

Fisgard Island should not be passed within less than a cable's length, keeping just without the kelp, which extends about half a cable eastward of it, for a rock with 7 feet of water over it lies three-quarters of a cable north-east of the lighthouse.

Vessels entering the harbour at night with a strong wind after them should take care to shorten sail in time, as the space for rounding to is somewhat limited; and it is desirable to moor if any stay is intended, as the winds are changeable.

The best time to leave the harbour is early in the morning, when either a calm or light wind may be expected; there is little strength of tide in the harbour, or for some distance without, and it sets fairly in and out.

The strongest and most frequent gales blow from S.W. and S.E., which are leading winds in, but rarely from N.W. The S.W. is a summer wind, generally fresh, and brings fine weather, unless it blows a gale. S.E. winds may be looked for during the winter months, or between November and March, and generally a strong gale once in a month, with rain and thick weather. The N.E. wind rarely blows with much strength and always brings fine clear weather; a direct south wind, to which some parts of the harbour are open, seldom blows, and there is never sufficient swell to render the anchorage inconvenient.

The Whale Rock, with only 7 feet on it at low water, lies W. $\frac{1}{4}$ N. 2 cables from Inskip Islands, or nearly midway between them and the western shore of the harbour. This rock is of small extent and not marked by kelp; it has a clear passage on either side, that to the eastward being the widest. Yew and Rodd Points, just touching, point to the rock; Yew Point, just touching the lighthouse on Fisgard Island, S. by E. $\frac{3}{4}$ E., leads nearly a cable's length westward; and when Ash Head is well shut in by Inskip Islands, a vessel will be clear to the northward.

Anchorage.—The most convenient anchorage is in Constance Cove, on the eastern side of the harbour, immediately round Duntze Head, the general depth being 6 fathoms, and the holding ground good; there is, however, safe anchorage in any part of the harbour, in not less than $4\frac{1}{2}$ fathoms, as far northward as Dyke Point. A cable's length above this point the water shoals to 3 fathoms, and from thence to the head of the harbour is a flat with only a few feet on it at low water.

Thetis Cove in Plumper Bay, on the eastern side, immediately north of Constance Cove, is a snug anchorage, with the harbour entrance just shut in by Inskip Rocks, in $4\frac{1}{2}$ fathoms; but vessels proceeding above these rocks must take care to avoid the Whale Rock.

Water may be obtained during the winter months from the many streams that empty themselves into the different bays, caused by the great quantity of rain which usually falls at that season; but in summer, watering is a tedious process, and boats must be sent either to Rowe Stream, at the head of the harbour, or to the salt lagoon, just outside the entrance. Both offer difficulties, unless at or near high water.

Water, however, might be conveyed at all seasons, and at a trifling expense, from the chain of lakes just over the western side of the harbour, near Colwood Farm.

* See Plan of Esquimalt Harbour, No. 1,897a; scale m.=10 inches.

VICTORIA HARBOUR is a little more than 2 miles eastward of Esquimalt, with its entrance between Ogden and MacLaughlin Points. Macaulay or Sailor Point, a remarkable projection, nearly midway between the two harbours, is a bare, flat point, about 30 feet high, showing as a yellow clay cliff, worn by the action of the sea and the weather into a rounded nob at the extreme. The coast on either side of this Point for a mile is fringed with sunken rocks, and is dangerous for boats in bad weather, many fatal accidents having occurred.

The entrance to this harbour is shoal, narrow and intricate, and with S.W. or S.E. gales a heavy rolling swell sets on the coast, which renders the anchorage outside unsafe, while vessels of burthen cannot run in for shelter unless at or near high water. Vessels drawing 14 or 15 feet of water may, under ordinary circumstances, enter at such times of tide, and ships drawing 17 feet have entered, though only at the top of spring tides.*

The channel is buoyed, but it is necessary to take a pilot, and the space is so confined and tortuous that a long ship has considerable difficulty in making the necessary turn; a large percentage of vessels entering the port, small as well as large, constantly run aground from these causes, or from trying to enter at an improper time of tide, or neglecting to take a pilot. Such accidents, however, are seldom attended with more than delay and inconvenience, as the shoalest and most intricate part of the passage is sheltered; when within, the port is perfectly landlocked, and vessels may lie in from 14 to 18 feet at low water, but the harbour accommodation is limited.

Doubtless Victoria Harbour is susceptible of improvement by artificial means, though it is improbable that it can ever be made a safe and convenient port of entry for vessels of even moderate tonnage, at all times of tide and weather, and it appears not a little remarkable that with the excellent harbour of Esquimalt within two miles, Victoria should have been continued as the commercial port of a rising colony, whose interests cannot but suffer materially from the risks and delays which shipping must encounter in approaching the commercial capital.

Victoria was selected by the Hudson's Bay Company as the depot of their establishments in consequence of the quantity of clear good land in the immediate neighbourhood, and the harbour being sufficiently spacious for the few small vessels in their employ, and as a site in these respects was admirably chosen, but it has been a fatal mistake at a later date not to have adopted Esquimalt as the commercial port.

* See Plan of Victoria Harbour. No. 1,897b; scale $m=10$ inches.

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RETURN

To an ADDRESS OF THE HOUSE OF COMMONS, dated 16th December, 1880 ;—

For copies of any Correspondence with the Government of British Columbia, or with any persons in that Province respecting the Island Railway.

By Command.

JOHN O'CONNOR,

Department of the Secretary of State,
January 1881.

Secretary of State.

DEPARTMENT OF RAILWAYS AND CANALS, CANADA,
OTTAWA, 17th January, 1881.

SIR,—I beg herewith to enclose return in answer to an Address from the House of Commons, dated 16th December, 1880, calling for copies of any correspondence with the Government of British Columbia, or with any persons in that Province respecting the Island Railway,

I have the honor to be, Sir, your obedient servant,

F. BRAUN, *Secretary.*

E. J. LANGEVIN, Esq., Under-Secretary of State.

Enclose copy of Nos. 5,060½, 5,061½, 5,242, 5,270, 5,531, 8,413, 10,973, 11,064, 11,700, 15,669, 15,752, 17,424, 18,822, 19,404, 21,662, 22,519, 22,994, 24,412, 25,505, 24,849 received, and copies of Nos. 6,262, 6,328, 8,978, 8,116, 10,325, 11,804, 13,264, 13,792 sent; also Address out of No. 2,4924.

RETURN No. 6.

RETURN in answer to an Address from the House of Commons, dated 16th December, calling for copies of any Correspondence with the Government of British Columbia, or with any persons in that Province respecting the Island Railway.
—Order No. 24,924.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 30th May, 1873.

On a memorandum dated 29th May, 1873, from Sandford Fleming, Esq., Chief Engineer of the Canadian Pacific Railway recommending with regard to operations for the present season that the following be undertaken :

THE WESTERN SECTION.

1. An exploratory survey from Howe Sound to Kamloop, or some convenient point on the North Thompson.

2. An exploration between Tête Jaune Caché and the Quesnel Lakes.

3. A re-survey from Moose Lake to Tête Jaune Caché, on the opposite bank of Thompson.

4. That with respect to the railway in British Columbia the Government having announced a decided preference for Esquimalt as the terminus, whether Vancouver Island be reached by bridge or ferry; and as the time for selecting lands for railway purposes in British Columbia expires on the 20th July next, it becomes important to secure, either by an extension of time or otherwise, all the vacant agricultural or mineral lands along the probable line for the railway on Vancouver Island.

That should the Government consider this advisable, the limits of reservation may be sufficiently well described as a strip of land twenty miles in width along the eastern coast of Vancouver Island between Seymour's Narrows and the harbor of Esquimalt.

THE EASTERN SECTION.

5. An exploration between Lake Nipissing and the upper part of the Montreal River, to give information respecting the country, in order to ascertain how the eastern terminus, as defined by Statute, could best be reached,

6. To continue the surveys between Red River and Lake Superior, in order to connect lines already surveyed, amend others, and add to the information already acquired, with the view of establishing the very best and shortest line for the railway between Red River and Lake Superior, at the same time utilizing as great a length as possible of the main line.

The Committee concur in this report, and submit the same for Your Excellency's sanction.

Certified,

J. O. COTÉ, C. P. C.

CANADIAN PACIFIC RAILWAY,
OFFICE OF THE ENGINEER-IN-CHIEF,
OTTAWA, 29th May, 1873.

Memorandum with regard to operations for the present season, the undersigned recommends that the following be undertaken:

THE WESTERN SECTION.

1. An exploratory survey from Howe Sound to Kamloops, or some convenient point on the North Thompson.

2. An exploration between Tête Jaune Caché and the Quesnel Lakes.

3. A re-survey from Moose Lake to Tête Jaune Caché, on the opposite bank of the Thompson.

4. With respect to the railway in British Columbia, the Government having announced a decided preference for Esquimalt as the terminus, whether Vancouver Island be reached by bridge or ferry; and as the time for selecting lands for railway purposes in British Columbia expires on the 20th July next, it becomes important to secure, either by an extension of time or otherwise, all the vacant agricultural and mineral lands along the probable line for the railway on Vancouver Island. Should the Government consider this advisable, the limits of the reservation may be sufficiently well described as a strip of land twenty miles in width along the eastern coast of Vancouver Island, between Seymour's Narrows and the harbor of Esquimalt.

THE EASTERN SECTION.

5. An exploration between Lake Winnipeg and the upper part of the Montreal River, to give information respecting the country, in order to ascertain how the eastern terminus, as defined by Statute, could best be reached.

6. To continue the survey between Red River and Lake Superior, in order to connect lines already surveyed, amend others, and add to the information already acquired, with the view of establishing the very best and shortest line for the railway between Red River and Lake Superior, at the same time utilizing as great a length as possible of the main line.

SANDFORD FLEMING.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council, on the 7th June, 1873.

The Committee of Council having had before them the memorandum of the 29th May last from the Chief Engineer of the Canadian Pacific Railway, and the Minute of Council thereupon of the 30th May, beg leave to recommend to Your Excellency that Esquimalt in Vancouver Island be fixed as the terminus of the Canadian Pacific Railway, and that a line of railway be located between the harbor of Esquimalt and Seymour Narrows on the said island. Terminus fixed.

The Committee further recommend that application immediately be made by despatch to the Lieutenant-Governor of British Columbia, for the conveyance to the Dominion Government in trust, according to the 11th paragraph of the terms of the agreement of Union, of a strip of land 20 miles in width along the eastern coast of Vancouver Island, between Seymour Narrows and the harbor of Esquimalt.

An Order of the Lieutenant-Governor of British Columbia in Council, appropriating this tract of land in furtherance of the construction of the said railway, will be necessary in order to operate as a sufficient conveyance and reservation of the said land to and for the Dominion Government.

Certified, W. A. HIMSWORTH, C.P.O.

BRITISH COLUMBIA,
GOVERNMENT HOUSE, 22nd September, 1873.

Sir,—With reference to my despatch No. 67 of the 26th July last, I have the honor to enclose, for the consideration of His Excellency the Governor General, a Minute of my Executive Council urging that the boundaries of the land on Vancouver Island proposed to be claimed by the Dominion Government in trust to aid in the construction of a railroad under the terms of Union of British Columbia with Canada, may be at once defined, and that a competent person in this Province may be appointed to dispose of said lands on such terms as will admit of settlement, and authorizing the Honorable A. DeCosmos, President of Executive Council and Premier of my Ministry, to confer with the Government of Canada on this subject.

A duplicate of this despatch and its enclosure will be handed to you by Mr. DeCosmos, who starts to-morrow for Ottawa.

I have the honor to be, Sir,

Your obedient servant,

JOSEPH TRUTCH.

COPY of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Lieutenant-Governor on the 20th day of September, 1873.

On a memorandum, dated 18th September, 1873, from the Hon. the Chief Commissioner of Lands and Works, reporting that the Order in Council of the 30th June,

1873, reserving the Crown lands of the east coast of Vancouver Island, is seriously retarding the settlement of that portion of the Province, and recommending that in view of the fact that the despatch from H. E. the Lieutenant-Governor to the Secretary of State, transmitting the Minute of this Executive Council, dated 20th July, upon the subject of this reservation, has not as yet been replied to; and as the matter requires immediate settlement, that the Dominion Government be respectfully urged to at once define, by survey, the land they propose claiming on the east coast of Vancouver Island, and that they appoint also a competent person in this Province to dispose of said lands on such terms as will admit of settlement, and that the Hon. A. DeCosmos, as special delegate about to proceed to Ottawa, be authorized to confer with the Dominion Government on this subject.

Certified, W. J. ARMSTRONG,
Clerk of the Executive Council.

Copy of a Report of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 25th day of March, 1875.

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menced.

On a memorandum, dated 25th March, 1875, from the Hon. the Minister of Public Works, reporting for the consideration of Council, that prior to the commencement of any works of construction on the proposed railway from Esquimalt to Nanaimo, which the Dominion Government have agreed to build under the arrangement made through Lord Carnarvon at the instance of British Columbia, it is essential that the Province of British Columbia should convey, by legislation, to the Dominion Government in trust to be appropriated in such manner as the Dominion Government may deem advisable, a similar extent of public lands along the line of railway before mentioned (not to exceed twenty miles on each side of the said line) as may be appropriated for the same purpose by the Dominion from the public lands of the North-West Territories and the Province of Manitoba, as provided in the Order in Council, section 11, admitting the Province of British Columbia into the Confederation, and that it is desirable that the British Columbia Government should be at once notified that it will be necessary during the present Session of the Legislature of that Province to pass an Act so to appropriate and set apart lands to this extent, and for this purpose, the grant to be subject, otherwise, to all the conditions contained in the said eleventh section of the terms of union.

The Committee concur in the above report of the Minister of Public Works, and recommend the British Columbia Government be notified accordingly.

Certified, W. A. HIMSWORTH, C.P.C.

To the Honorable

The Minister of Public Works, &c.

OTTAWA, 4th March, 1876.

SIR, — Herewith I have the honor to present to you certain propositions of the Victoria and Esquimalt Railway Co., respecting the constructing and operating a line of railway between Esquimalt and Nanaimo; also a copy of a letter authorizing me to present the same to you, and to act as agent of the company in negotiating the matter; and which services, I have acquainted the Company, I am willing to perform provided they in no way conflict with my entire freedom of action as a member of Parliament.

I have, therefore, to request the favor of an early consideration of the proposition of the Victoria and Esquimalt Railway Co., hoping, in view of the condition of affairs between British Columbia and Canada in relation to the construction of a railway

from Esquimalt to Nanaimo, that out of it may spring some speedy means to bring the Provincial into harmony with the Dominion Government.

I am, Sir, yours, &c.,

A. DeCOSMOS.

Hon. A. MACKENZIE,

Minister of Public Works, &c., Ottawa.

OFFICE OF THE VICTORIA AND ESQUIMALT RAILWAY COMPANY,

VICTORIA, 7th February, 1876.

SIR,—I have the honor to inform you that by a meeting of the above-named company, held on the 5th inst., you were appointed the agent of the Company, to lay before the Dominion Government certain propositions of the company having in view the constructing and operating a railway between Esquimalt and Nanaimo upon certain conditions therein set forth, and you are respectfully requested to present the same to the Honorable Alexander Mackenzie for the consideration of himself and his Government at your earliest convenience; and the Company rely on your well-known energy and ability for carrying the same to a successful issue.

I enclose the propositions herewith, and have left them open for your inspection. Should the appointment meet with your approval, be pleased to inform me of your acceptance of the same, and at the same time acknowledge the receipt of the enclosed propositions addressed to the Honorable Mr. Mackenzie.

I have the honor to be, Sir, your obedient servant,

HERBERT GASTON, *Secretary*.

Hon. AMOS DeCOSMOS, M.P.

OFFICE OF THE VICTORIA AND ESQUIMALT RAILWAY COMPANY,

VICTORIA, 7th February, 1876.

SIR,—1. In view of the condition of affairs existing between the Government of the Dominion of Canada, of which you are Premier, and the Government of the Province of British Columbia, in relation to the construction of a railway from Esquimalt to Nanaimo on Vancouver's Island, the "Victoria and Esquimalt Railway Company" beg leave to submit to you, for your consideration and that of your Government, the following propositions:

2. The Company will undertake to construct and operate at its own charge a line of railway of ordinary gauge from the harbor of Esquimalt to the harbor of Nanaimo, and complete the same before the first day of July, 1879, upon the following conditions:—

1st. The Government of the Dominion to grant to the Company a subsidy of \$40,000 per mile for the section lying between Esquimalt and Mill Creek, Shawanigan, and the sum of \$20,000 per mile from said Mill Creek to Nanaimo.

The money to be paid upon the certificates of an Inspector to be appointed by the Dominion Government as the work progresses.

2nd. As the Company is satisfied that such subsidy will be inadequate to construct and properly equip such road, it would be necessary to raise the additional capital which may be required by the issue of the Company's bonds, and to succeed in this would require the guarantee of the Dominion Government for the interest. The Company therefore asks that the Dominion Government will guarantee the interest at five per cent. per annum upon such bonds as the Company may be compelled to issue for the purpose, for a period not to exceed twenty-five years.

3rd. That the Dominion Government shall transfer to the Company a belt of land twenty miles wide, along the length of the railway, including in such transfer the Indian reserves at Victoria and Esquimalt, and also the reserves at Nanaimo, and

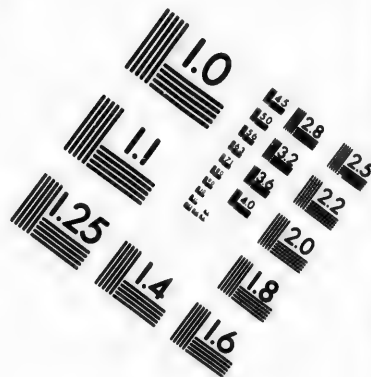
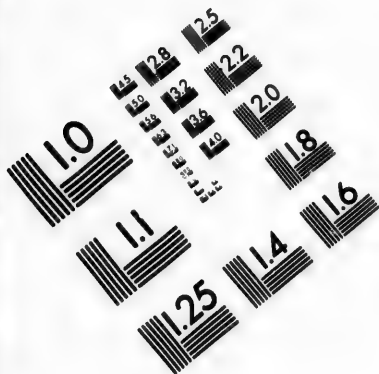
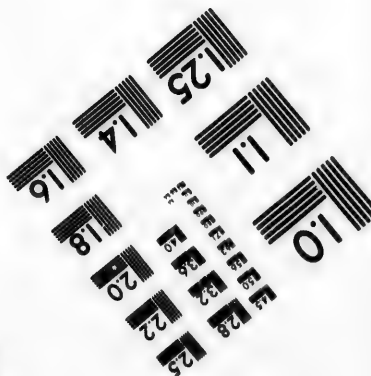
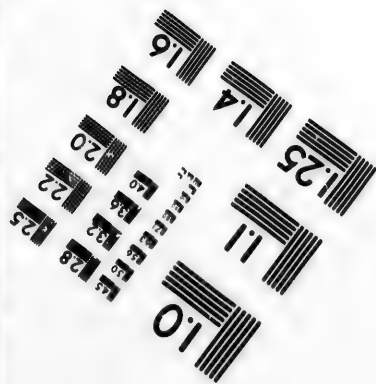
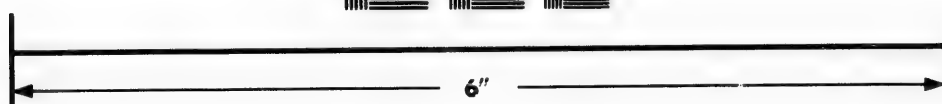
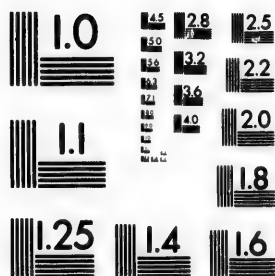


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that where lands within such belt have been alienated, that other contiguous lands be transferred of like value and acreage.

3. The Company submits the foregoing as the basis for an arrangement whereby a railway may be constructed between the points named, upon more favorable terms to the Dominion Government than if constructed and operated under its own supervision, while at the same time the Government would be relieved from all the responsibility and trouble incident to constructing and operating the same.

4. Hoping that the foregoing propositions may receive the favorable consideration of yourself and the Government.

We have the honor to be, Sir, on behalf of the said Company,

Your obedient servants,

E. GRANCINI, *Chairman*.

HERBERT GASTON, *Secretary*.

Hon. ALEXANDER MACKENZIE,
Commissioner of Public Works, &c., &c.

OTTAWA, 10th March, 1876.

SIR,—I am desired to acknowledge the receipt of your communication of the 4th instant, transmitting certain propositions made by the Victoria and Esquimalt Railway Company, in connection with the construction of the railway between Esquimalt and Nanaimo, British Columbia.

I have the honor to be, Sir, your obedient servant,

F. BRAUN, *Secretary*.

A. DECOSMOS, M.P., House of Commons.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 17th March, 1876.

On a memorandum, dated 6th March, 1876, from the Hon. the Minister of Public Works, communicating certain propositions made through Mr. DeCosmos, M.P., for the construction, by the Victoria and Esquimalt Railway Company, of a line of railway from Nanaimo to Esquimalt, in which they offer to build such road in consideration of a subsidy of \$40,000 per mile for the section between Esquimalt and Mill Creek, and of \$20,000 per mile for the portion of the road from Mill Creek to Nanaimo, together with a belt of land, twenty miles wide, along the line of route proposed to be taken; the Dominion Government further agreeing to guarantee the interest at five per cent. per annum for twenty-five years upon such bonds as the Company might find it necessary to issue to obtain what additional sum may be required for the building of the railway;

The Minister advises that the Company be informed that the Government are not in a position to entertain any proposition for building the railway in question.

The Committee concur in the advice above submitted, and recommend the same for Your Excellency's approval.

Certified, W. A. HIMSWORTH, *C. P. C.*

To the Hon. the Minister of Public Works.

OTTAWA, 27th March, 1876.

SIR,—Referring to your letter of the 4th instant, transmitting the proposal of the Victoria and Esquimalt Railway Company to build, on certain conditions, a line

from Nanaimo to Esquimalt, I am to acquaint you for the information of said Company, that an Order in Council has issued, under date the 17th instant, stating that the Government are not in a position to entertain any proposition for building the railway in question.

I have the honor to be, Sir, your obedient servant,

F. BRAUN, *Secretary*.

Hon. A. DeCosmos, M.P., House of Commons, Ottawa.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 9th June, 1876.

The Committee of Council have had under consideration the memorandum hereunto annexed from the Hon. Mr. Mackenzie, submitting the expediency of obtaining from the Government of British Columbia a conveyance of the land twenty miles in width on each side of the portion of the Canadian Pacific Railway line surveyed and located in that Province, and they respectfully submit their concurrence therein, and advise that a copy thereof, and of the Minute be transmitted to the Government of British Columbia.

Certified, W. A. HIMSWORTH, *C. P. C.*

To the Hon. the Minister of Public Works, &c., &c.

OTTAWA, 7th June, 1876.

The undersigned has the honor to report that under the terms by which British Columbia entered the Dominion of Canada, the Government of that Province agreed to convey to the Dominion Government in trust, to be appropriated in such manner as the Dominion Government may deem advisable in furtherance of the construction of what is known as the Canadian Pacific Railway, a similar extent of public lands along the line of railway throughout its entire length in British Columbia (not to exceed, however, twenty miles on each side of said line) as may be appropriated for the same purpose by the Dominion Government from the public lands of the North-West Territories and the Province of Manitoba.

That the Government of Canada have already, by Order in Council, withdrawn for sale or settlement all lands in the Province of Manitoba within twenty miles of each side of railway line surveyed, and also for a distance of twenty miles to the westward of Fort Pelly, in the North-West Territories, and further extending from a point twenty miles westerly of Fort Pelly to a point twenty miles westerly of the mouth of Battle River, and further for twenty miles on each side of the railway from a point twenty miles westerly of the Battle River to Jasper House, in the Yellow Head Pass, through the Rocky Mountains.

That the line of railway has been defined and located through part of the Province of British Columbia, and that it is desirable, with a view of enabling the Government of Canada to proceed with the construction of the railway, that the lands along such line of railway and for twenty miles on each side of the line may be conveyed to the Dominion Government in accordance with the 11th paragraph of the terms of Union.

The description of the line so located, to which reference is above made, is as follows:—

Commencing at a point on the eastern boundary of British Columbia, in the Yellow Head Pass, through the Rocky Mountains, the line follows down the valley of the River Fraser to Grand Rapids, a distance of about 185 (one hundred and eighty-five) miles; thence westerly, turning the north end of the Cariboo Range, and, cutting

off the great head of the Fraser, it crosses the latter near the mouth of Willow River; thence southwesterly to a point near the confluence of the Rivers Stewart and Chiloch.

The undersigned further recommends that communication be had to this effect with the Lieutenant-Governor of British Columbia, requesting that the lands along the line of railway, as herein described, and for twenty miles on each side of the said line be forthwith conveyed to the Dominion Government; and that it be represented that an Order of the Lieutenant-Governor in Council appropriating this tract of land will at present suffice as a sufficient conveyance of the same; but that it is further suggested that an Act be passed by the Legislature of British Columbia, conveying and vesting such appropriation in Her Majesty for the purposes of the Government of Canada, and to be appropriated in such manner as the said Dominion Government may deem advisable in furtherance of the construction of the said railway.

He further recommends that in order to give due information to the public and to prevent squatters or the pre-emption of any portion of the lands so conveyed, the Lieutenant-Governor should be invited to give public notice of the passing of such Order in Council, and the conveyance of the said lands as herein mentioned and therein comprised.

A. MACKENZIE.

OTTAWA, 18th April, 1878.

DEAR SIR,—I beg to call your attention to the letter and statement enclosed showing the marine disasters which have occurred in the waters of British Columbia and affecting the question of the railway route, and showing, I think, the great advantage of a terminus either at Esquimalt otherwise the west coast.

I am yours truly,

F. J. ROSCOE.

VICTORIA, B.C., 18th September, 1877.

SIR,—I send you the enclosed list of disasters that occurred to vessels in the waters from Race Rocks to Nanaimo since the year 1858, which is a formidable list for a man to tax his memory with, without notes of any description to help him.

You will find the list correct and they can all be proved, and I venture to say you can get no such lists from any other source. In the list there are two that occurred previous to 1858, viz.: "The Major Tomkins" and the "Waterwitch," and two or three that occurred above Nanaimo; with these exceptions they all occurred at and between the ports. Ten of these vessels proved a total loss and say forty to be seriously injured requiring extensive repairs, and there are also a number that I have not named, for I cannot particularize them at present, but I believe you will get all the information you require from the list. There are two or three vessels mentioned that I have forgot their names, but they can be easily procured if necessary. The American schooner wrecked in the Gulf of Georgia, Captain Lewis knows all about her. The English bark ashore twice coming from Moody's Mill in 1868, and seriously damaged. She was one of Mr. H. Rhodes' ships, and H.M.S. ashore in Haro Strait (I think the "Charybdis") was the one the coffer dam was built for to repair her in, if you should require any further information such as what damage was done, and the names of the pilots on board (if any) I should be very happy to furnish it as far as I can.

I am, Sir, your obedient servant,

P. PAMPHLETT.

U. F. TOLMIE, Esq., M.P.P., Victoria.

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List of Disasters to Vessels that have occurred in the waters of British Columbia, from Race Rocks to Nanaimo, since the Year 1858.

Year.	Nationality.	Class.	Name of Vessel.	Cargo.	Where Happened.	Remarks.
1859	American.	Steamer.	Major Tompkins.	U.S. Mails.	Ogden Point.	Bad steering.
1859	American.	H.M.S.	Terzagant.	U.S. Mails.	Active Pass, H.J.	Pilot on board.
1859	American.	Steamer.	Panama.	U.S. Mails.	Victoria Harbor.	Could not make turn.
1859	British	do	Constitution.	Cargo.	do	Licensed pilot on board.
1859	German	do	Douglas.	Ballast.	Zero Rock, H.S.	Pilot on board.
1859	German	do	Unknown.	Coal.	Gabriola Reef.	do
1860	Nicaraguan	Schooner.	Waterwitch.	Coal.	Roberts' Bank, G.G.	Before completion of lighthouse.
1860	British	do	Cleopatra.	Gen. cargo.	Nanaimo	19 feet dredged.
1860	British	do	Nannetto.	Coal.	Race Rocks, F.S.	Fog.
1862	British	Schooner.	Sacchante.	Coal.	Entrance of Esquimalt.	do
1862	do	do	Alpha.	Lime.	do	do
1862	do	do	Mary Ann.	Ballast.	do	Licensed pilot on board.
1861	American	Bark.	Idiota.	do	Victoria Harbor.	do
1861	do	do	D. M. Hall.	do	do	do
1861	do	do	Tribune.	Gen. cargo.	Sandheads off Fraser River.	do
1862	British	do	Rosedale.	do	Race Rocks, F.S.	do
1864	do	Bark.	Napoleon.	do	Scragg Rock.	do
1861	do	Schooner.	Thames.	do	Gulf of Georgia.	Fog and S.E. gale.
1866	Russian.	Ship.	Ozarowitch.	Gen. cargo.	Burrard Inlet Narrows.	Licensed pilot on board.
1866	American.	Ship.	E. Kimble.	Ballast.	Victoria Harbor.	Seriously damaged.
1861	British	Ship.	Envoy.	do	Trial Island, H.S.	do
1861	American.	Ship.	Eliza Anderson.	Lumber.	Ogden Point, Victoria Harbor.	Licensed pilot on board.
1861	British	do	Kinnaird.	Coal.	Sturgeon Bank, G.G.	do
1862	do	do	Knight Bruce.	Passengers.	Haro Straits, H.S.	do
1862	do	do	Lilloett.	Coal.	Active Pass, H.S.	do
1862	do	do	Malacca or Mutine.	Produce.	Brochie Ledges, F.S.	No buoy.
1866	British	Schooner.	Meg Merrilles.	Gen. cargo.	Off Beaver Hill.	Licensed pilot on board.
1866	do	do	Prince of Wales.	Mails.	Victoria.	do
1866	do	Schooner.	Douglas.	do	Kelp Reef, H.S.	do
1866	do	do	do	do	Nanaimo Harbor.	do
1866	do	do	do	do	Bayne's Sound.	do
1866	American.	Bark.	Scotland.	Coal.	Nanaimo.	Pilot on board.
1866	do	do	do	do	Haro Straits.	do
1866	do	do	Oriflamme.	U.S. Mails.	Dodd's Narrows, H.S.	do

•Cornelius said, by the pilot who was on board when she was wrecked, to have been becalmed off English Bay, and to have been carried by the tide on the rocks in Howe Sound.

*Cornelius said, by the pilot who was on board when she was wrecked, to have been becalmed off English Bay, and to have been carried by the tide on the rocks in Howe Sound.

1878
OTTAWA, 25th April, 1878.

SIR,—I have to acknowledge the receipt of your letter of the 18th instant, enclosing a list forwarded by W. P. Pamphlett, of Victoria, B.C., showing the disasters which have occurred to various vessels in British Columbia waters, from Race Rocks to Nanaimo, since the year 1858.

I am, Sir, your obedient servant,

F. BRAUN, *Secretary*.

F. J. ROSCOE, Esq., M.P., House of Commons, Ottawa.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 23rd May, 1878.

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The Committee of Council have the honor to recommend that the Order in Council of the 7th June, 1873, fixing Esquimalt in Vancouver's Island, as the terminus of the Canadian Pacific Railway, and requiring the conveyance to the Canadian Government of a strip of land 20 miles in width, along the eastern coast of Vancouver's Island, between Seymour's Narrows and the harbor of Esquimalt be rescinded.

Certified, W. A. HIMSWORTH, *C.P.O.*

To the Honorable the Minister of Public Works.

1878
OTTAWA, 29th May, 1878.

SIR,—I am directed by the Honorable the Minister of Public Works, to inform you that an Order in Council was passed on the 23rd instant, cancelling that of the 7th June, 1873, which designated Esquimalt, in Vancouver's Island, as the terminus of the Canadian Pacific Railway, and required the conveyance to the Canadian Government of a strip of land 20 miles in width, along the eastern coast of that Island, between Seymour's Narrows and the harbor of Esquimalt.

I am further directed to state that as Burrard Inlet will in all probability be adopted as the western terminus of the Canadian Pacific Railway, it is deemed advisable that a strip of land should be reserved for the conveyance to the Dominion Government in accordance with the 11th paragraph of the terms of the Union, along said line of railway beginning at English Bay, or Burrard Inlet, and following the River Frazer to Lytton, thence by the valley of the River Thompson to Kamloops, thence up the valley of the North Thompson, passing near to Lakes Albreda and Cranberry to Tête Jaune Cache, thence up the valley of the Fraser River to the summit of Yellow Head, or boundary between British Columbia and the North-West Territories.

The Honorable the Minister of Public Works desires me to request you to convey the foregoing information to the Government of British Columbia, in order that they may take the necessary steps to reserve the land in question.

I have the honor to be, Sir, your obedient servant,

F. BRAUN, *Secretary*.

E. D. LANGEVIN, Esq., Under-Secretary of State, Ottawa.

VICTORIA, 6th January, 1879.

SIR,—The Victoria and Esquimalt Railway Company, incorporated by an Act of the Legislature of British Columbia, passed in 1873, desire to construct the Esquimalt and Nanaimo Railway, on Vancouver Island, provided the Dominion Government

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determine to have the same constructed, either as a part of the Canadian Pacific Rail-
 way, or as an independent line, and they are particularly induced to make the
 following proposition, as they fear that the short line from Victoria to Esquimalt will
 not be remunerative unless the road is built from Esquimalt to Nanaimo:—

1. The Company will agree to construct, equip and maintain a railway, upon
 such line as may be selected by the Dominion Government, and of such gauge and
 description as may be determined upon, and will complete the same within three
 years from the final survey and location of the line.

2. The Dominion Government, in consideration of the foregoing, to grant to the
 Company \$15,000 per mile for the line between Esquimalt and Nanaimo. The money
 to be paid in such manner as may be agreed upon as the work progresses.

3. The Dominion Government also to transfer to the Company a belt of land
 twenty miles wide, along the line of such road, including in such transfer ten acres of
 such of the Indian Reserves at Victoria, Esquimalt and Nanaimo, for depots and
 terminal purposes; and that if any of the lands within such belt have been alienated,
 other contiguous lands of like value and acreage be transferred, and also that the
 Dominion Government arrange with the Government of British Columbia to exempt
 such lands from taxation for the period of ten years, or for such time as may be
 agreed upon.

4. The Dominion Government to guarantee interest not exceeding 5 per cent.
 per annum, upon any bonds which may be issued by the Company to raise additional
 capital to complete the road.

5. For the purpose of securing the Government against loss upon such guarantee,
 the Company will agree to execute a first mortgage upon the road and its appurten-
 ances in favor of the Government, and will also create a sinking fund out of the net
 earnings of the road to pay the annual interest as it accrues and redeem the bonds at
 maturity.

6. The Dominion Government to have the right at any time after the completion
 of the Canadian Pacific Railway, or after a connection has been made between the
 Pacific end of such overland railway and the Esquimalt and Nanaimo Railway, to
 take over the last named road with its appurtenances by paying off, or assuming the
 payment at maturity, of the bonds issued by the Company for the use of the road,
 and refunding to the Company the interest which may have been paid thereon, and
 any other sums with interest which may have been expended upon or for the use of
 the road, over and above the moneys contributed by the Dominion Government, or
 moneys raised upon bonds as before mentioned.

7. The Company begs leave to submit the foregoing proposition as the basis for
 an arrangement for building the Esquimalt and Nanaimo Railway, subject to such
 reasonable alterations as may be necessary to meet the views of the Dominion
 Government.

I have the honor to be, Sir, respectfully, your obedient servant,

HERBERT GASTON, *Secretary.*

Right Hon. Sir JOHN A. MACDONALD,
 Premier of the Government of the Dominion of Canada.

OTTAWA, 1st February, 1879.

SIR,—I have to acknowledge receipt of your letter of the 6th instant, submitting
 on behalf of the Victoria and Esquimalt Railway Company certain proposals to serve
 as a basis of an arrangement under which the said Company would be willing to
 undertake the construction of the Esquimalt and Nanaimo branch of the Canadian
 Pacific Railway.

I am, Sir, your obedient servant,

F. BRAUN, *Secretary.*

HERBERT GASTON, Victoria, B.C.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 22nd April, 1879.

On a memorandum, dated 16th April, 1879, from the Honorable the Minister of Public Works, representing that on a memorandum from the Chief Engineer of the Pacific Railway, dated 23rd May, 1874, an Order in Council was passed 7th June, 1873, fixing Esquimalt, on Vancouver's Island, as the terminus of that railway in British Columbia.

That subsequently, 25th March, 1875, an Order in Council was passed, authorizing the Dominion Government to notify the Government of British Columbia that it would be necessary that the Legislature of that Province, then in session, should pass an Act setting apart such extent of public lands along the line of the railway in Vancouver's Island in the manner set forth by the 11th paragraph of the terms of agreement of the Union.

That on the 23rd of May, 1878, the late Government had another Order in Council passed, cancelling that of 7th June, 1873 (which fixed the terminus at Esquimalt), but no reason appears to have been given for their action in the matter, nor is there any mention made of the Order in Council of 25th March, 1875, which provided for the appropriation of the necessary lands in Vancouver's Island.

The Minister therefore recommends that in the absence of satisfactory reasons having been given for cancelling the Order in Council of 7th June, 1873, that the Order in Council (of 23rd May 1878) cancelling it, be annulled, and that of 7th June, 1873, be revived.

He also recommends that a copy of his Report to Council, if approved, be furnished to the Honorable the Secretary of State for transmission to the Government of British Columbia for their information.

The Committee submit the above recommendation for Your Excellency's approval.

Certified. W. A. HIMSWORTH, C.P.C.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 12th June, 1879.

On a memorandum, dated 10th June, 1879, from the Hon. the Minister of Railways and Canals, stating that he has had under consideration a communication dated 19th May, 1879, from the Lieutenant-Governor of British Columbia, enclosing a minute of his Executive Council of 14th May, 1879, in reference to the reservation of land on the mainland of British Columbia, between Burrard Inlet and Yellow Head Pass.

The Minister recommends that the Government of British Columbia be informed that the object of the Order in Council of the 22nd April, 1879, was simply to rescind the Order in Council of the 23rd May, 1878, so as to leave the general Government free to adopt which ever route might appear in the public interest the most eligible.

That is not proposed to release the reservation of land on either route, and it is felt that this will result in no serious inconvenience for the short period which will now elapse before the location of the railway will be finally established.

The Committee submit the above recommendation for Your Excellency's approval.

Certified, W. A. HIMSWORTH, C.P.C.

Memorandum from the Department of the Privy Council.

OTTAWA, 17th June, 1879.

(Answer.)

Please return by bearer the despatch of the Lieutenant-Governor of British Columbia, with Minute of Council relative to land reserve on line of Pacific Railway,

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(Despatch dated 19th May, 1879.)

J. O. COTÉ

To F. BRAUN, Esq.

Numbers asked for enclosed, Nos. 19,292, 19,404.

The Minute of Council above alluded to is the Minute of Council of British Columbia, which is attached to despatch returned to me.

OTTAWA, 17th June, 1879.

SIR,—Referring to your letter of the 6th January last, submitting, on behalf of the "Victoria and Esquimalt Railway Company," certain propositions having in view the construction of a railway between Esquimalt and Nanaimo by that company, I am directed to say that the proposal made has been duly considered, and that the Department cannot entertain it favorably.

I am, Sir, your obedient servant,

F. BRAUN, *Secretary*.

HERBERT GASTON, Esq.,
Secretary "Victoria and Esquimalt Railway Co.,"
Victoria, B.C.

BRITISH COLUMBIA BOARD OF TRADE,
VICTORIA, B.C., 28th January, 1880.

SIR,—I am instructed by the President and Council of the British Columbia Board of Trade (now numbering 83 members) to enclose for your consideration and immediate action a few facts and resolutions *in re* Esquimalt and Nanaimo Railway, in order that at the approaching session of Parliament something may be done.

I am further desired to request that you will be good enough to have the same printed at the expense of this Board, sufficient in number for every member of the House of Commons and Senate of Canada, and a fair number for distribution in Victoria.

Your obedient servant

EDGAR CROW BAKER, *Secretary*.

The Honorable AMOS DECOSMOS, M.P., Ottawa, Ont.

Resolutions of the British Columbia Board of Trade on the Esquimalt-Nanaimo Railway.

1. Whereas, by the terms of Confederation between the Dominion of Canada and British Columbia, ratified by Her Majesty on the 16th May, 1871, the Dominion of Canada agreed to commence the construction of a railway from the Pacific towards the Rocky Mountains within two years from the date of Union.

2. And whereas, in furtherance of the said agreement, the Dominion Government, on the 7th day of June, 1873, fixed the terminus of the Canadian Pacific Railway at Esquimalt, and applied for and obtained from the British Columbia Government the reservation of a 20 mile belt of land along the east coast of Vancouver Island for railway purposes.

3. And whereas, the Dominion Government have claimed that a commencement of railway construction was made at Esquimalt within the term of two years agreed upon in the terms of the Union.

4. And whereas, in the following year, 8th May, 1874, the Dominion Government through its agent, Mr. Edgar, proposed to the Government of British Columbia to proceed with the construction from Esquimalt to Nanaimo immediately, and to push that portion of the railway on to completion with the utmost vigor and in the shortest practicable time, coupled, however, with conditions relating to the mainland portion of the railway, which were not entertained by the Government of British Columbia, as they conflicted with the terms of Union and postponed indefinitely the consolidation of British North America, which was the primary object of Confederation.

And whereas, in consequence, serious differences arose between the Dominion of Canada and British Columbia which were referred to Her Majesty's Secretary of State for the Colonies, the Earl of Carnarvon.

6. And whereas, after protracted negotiations, the conditions contained in the despatch of Lord Carnarvon of the 17th November, 1874, to the Governor General of Canada, were, as a settlement by the Government of the Dominion and of British Columbia, the first condition being that the section of the railway from Esquimalt to Nanaimo shall be commenced as soon as possible and completed with all practical despatch.

7. And whereas the Privy Council of the Dominion of Canada, on the 25th March, 1875, decided that prior to the commencement of any work of construction on the proposed railway from Esquimalt to Nanaimo, the Province of British Columbia should convey by legislation to the Dominion Government a 20-mile belt of land along the line of railway between Esquimalt and Nanaimo; which demand upon British Columbia was immediately complied with by the Legislative Assembly of that Province passing an Act, 22nd April, 1875, No. 13, entitled "An Act to authorize the grant of certain public lands to the Government of the Dominion of Canada for railway purposes."

8. And whereas, on the 5th March, 1875, the Dominion House of Commons in Committee of Supply appropriated \$6,200 for the Pacific Railway between Esquimalt and Nanaimo ready for use.

9. And whereas, in the year 1874-5, a construction survey was made of the line between Esquimalt and Nanaimo.

10. And whereas no further action having been taken towards the construction of the said line, a feeling and widespread dissatisfaction with the Dominion of Canada was created in the Province, which resulted in 1878 in the election of a Provincial Legislature the majority of the members of which were pledged to insist on the Dominion carrying out the Carnarvon settlement or separation.

11. And whereas official assurances were given the Legislature of British Columbia, when last in session, that before the close of that year actual railway construction would be commenced in this Province, and the British Columbia Legislature accepting the assurances in full belief that the Carnarvon settlement would be carried out, adjourned without taking any action hostile to the Dominion interest on the Pacific.

12. And whereas since the adjournment the Dominion Government has confirmed the selection of Esquimalt as the terminus of the Canadian Pacific Railway, definitely located the line upon the mainland *via* Fraser River, and called for tenders for a portion of the railway in the interior of the Province, but, so far as known, has not taken any steps to proceed with the construction of the railway between Esquimalt and Nanaimo to which for so many years and in so many ways it stands pledged and committed.

13. And whereas good faith and a continuance of satisfactory relations with the Province require a speedy active commencement of the railway between Esquimalt and Nanaimo, the construction of which is of vital importance to the development of the resources of the Vancouver Island portion of British Columbia, which contains more than half of the population of the Province, and contributes a very large proportion of the revenue paid by said Province to the Dominion.

Be it therefore resolved, that Sir John A. Macdonald, M.P., Hon. Amor DeCosmos, M.P., Hon. A. Bunster, M.P., and Senator McDonald, as members in the Dominion

House of Commons and Senate of Canada for Victoria City and Vancouver Island, are hereby instructed to urge and impress upon the Dominion Government the necessity of making such provision this session of Parliament as will secure, this summer, the prosecution of this most important work.

Motion put and carried.

EDGAR CROW BAKER, *Secretary*.

VICTORIA, B.C., 28th January, 1880.

OTTAWA, 24th February, 1880.

SIR,—I am directed to acknowledge the receipt of a letter under date the 28th ultimo, enclosing a copy of resolutions passed by the British Columbia Board of Trade, in reference to the Esquimalt-Nanaimo Railway, addressed by you to the Hon. Amos DeCosmos, M.P., and transmitted by that gentleman to this Department.

I have the honor to be, Sir, your obedient servant,

F. BRAUN, *Secretary*.

EDGAR CROW BAKER, Secretary, British Columbia Board of Trade, Victoria, B.C.

CANADIAN PACIFIC RAILWAY, OFFICE OF THE ENGINEER-IN-CHIEF,
OTTAWA, 5th May, 1880.

SIR,—In reply to enquiries about a report on the Esquimalt and Nanaimo Railway, Vancouver Island, I have to state that as the Bill for the construction of this railway was defeated in the Senate, pending the surveys, the latter were never thoroughly completed, only a trial line being run, and there was no report made.

The plans and profiles will give a better idea of the nature and magnitude of the work than any report; but, the following brief description may serve to impress on the mind the salient features of the line.

Esquimalt and Nanaimo Railway. First Division—Esquimalt to Cowichan River.

The line commences at a point on the Indian Reserve on the east side of the harbor of Esquimalt and takes a north-westerly direction for about two miles. It then tends to the south-west, sweeping round the head of the harbor and passing about a quarter of a mile to the north of Parson's Bridge, which crosses the mill stream, where it enters the head of the harbor.

The line then bends to the west and north-west, crossing the Isthmus that divides Esquimalt Harbor from Saanich Inlet. On the summit of this divide is Langford Lake, about a mile in length and a quarter of a mile in breadth. The line follows the south shore of this, then bends northward, reaching the head of Saanich Inlet at the 10th line. Thence it flows along the rocky slope on the west side of the Inlet to the mill dam on the Shannigau River, near the 24th mile.

At this point the line leaves the shore and follows the valley of the Shannigau and other depressions, crossing the head land about two miles from the shore to the head of Cowichan Bay and round the same to the Cowichan River, which is reached at 36½ miles from Esquimalt.

Gradients and Character of Work.

The altitude of formation level, at the initial point, is 32 feet above high water in the harbor. The first three-quarters of a mile is level and well suited for a terminal depot.

From this it was proposed to run a siding on a tongue of land, from which wharves and a pier would be constructed into deep water.

At the second mile the rise is 18 feet where the line begins to rise on to the Isthmus at the rate of 75 feet per mile, for two miles, on which the excavations in rock and earth would be heavy. Thence across the plateau to the 8th mile, the gradients are easy and the works would be light.

At 8½ miles the altitude is 293 feet, thence the line runs on the steep slopes of a rocky hillside to the 24th mile with variable gradients, the highest being 1 per 100 or 528 feet per mile.

From 8th to the 21st mile the works would be very heavy, consisting of deep rock excavations and the bridging of a number of deep valleys and chasms in the rocks varying from 75 to over 200 feet in depth, of which the following is an example:—Depth, 160 feet; width at top, 500 feet; at bottom, 30 feet.

The first trial line was run near the edge of the water, by which a great part of the heavy bridging would be avoided; but the rock excavation would not be reduced. The alignment is not good and there would be a gradient of 60 to 70 feet per mile in getting down to the head of the inlet, which would be a serious obstacle against heavy coal traffic.

At the 24th mile the altitude is 120 feet, thence to the 27th mile the rise is 189 feet per mile; but these steep gradients would be in favor of heavy traffic from the north.

From this point the line descends gradually to the head of Cowichan Bay, the maximum gradient being 1 per 100, of which there are two lengths, making an aggregate of 2½ miles.

The valley of Kokashilah is crossed near the 32nd mile; it is 85 feet deep, 500 feet wide at the top, and 120 feet at the bottom.

At 34½ miles Kilvin Creek is crossed. The valley is 900 feet wide and 40 feet deep. The creek is 150 feet wide.

At 36½ miles Cowichan River is crossed. The valley is 800 feet wide and 35 feet deep; the water way 500 feet wide.

The works from the 24th to the 34th mile would be moderate, thence to the 37th mile they would be rather heavy.

Second Division.—Cowichan River to Nanaimo.

From Cowichan River the line follows a depression behind the rocky hills that line the shore of the strait. It crosses Chemaines River near the 45th mile and comes within a quarter of a mile of Horse Shoe Bay, between the 47th and 48th mile, thence it follows the shore pretty closely up to the head of Oyster Harbor at 61½ miles.

From this point the line follows a low undulating country, crossing the Nanaimo River near the 2nd mile, the River Chase at 66½ miles, and it reaches Nanaimo Harbor at 68½ miles from Esquimalt.

There is a great deal of curvature throughout the whole length; but the curves are not sharp.

Gradients and Character of the Work.

The gradients on this division are generally easy, the maximum being a few short lengths of 1 per 100.

The work from the 37th to the 42nd mile will be heavy, the excavations being generally in gravel or clay loam, with a few short rocky spurs underlying. On the next two miles rocks prevails and the works would be rather heavy.

The Chemaines Valley near the 45th mile is 130 feet deep; 120 feet wide at the bottom, and 900 feet at the top, and there would be some rather heavy cutting for half a mile beyond it.

From the 46th to the 59th mile the works will be variable, and may be classed as moderate for half the distance and the balance as rather heavy, consisting of cuttings, partly in rock, and bridging deep valleys and lagoons.

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From the 59th mile to the end of 68½ miles, the works would be classed as follows: Three miles light, and the balance moderate. The Nanaimo River is crossed on a low flat, and would require 200 feet of bridging.

The River Chase would require 400 feet, and a height of 32 feet above the water. The line on this Division could no doubt be improved, and the works reduced by a careful location survey.

The chief difficulty is on the First Division, along the shore of Saanich Inlet; an attempt was made to overcome that by carrying the line further back from the inlet, but a high summit would have to be crossed, and the attempt was abandoned.

I can suggest no other way of overcoming the difficulty than carrying the line up the Saanich Peninsula, over a fine agricultural country, to a convenient landing for a ferry, crossing Saanich Inlet to Cowichan Harbor.

I am, Sir, your obedient servant,

MARCUS SMITH.

OTTAWA, 13th May, 1880.

SIR,—I have the honor to transmit to you herewith copy of Report No. 22,519 on the Esquimalt and Nanaimo Railway, made by Mr. Marcus Smith of this Department on the 5th instant, together with copies of the following plans and profiles in relation to same subject, viz:—

1. Profile Division T, from Esquimalt Harbor to junction Division T at Pelon's Creek.
2. Profile Division Y, from junction with Division T to Nanaimo.
3. Plan from Nanaimo Harbor to junction with T.
4. Plan Division T location, from Nanaimo to junction with Y.

I have the honor to be, Sir, your obedient servant,

F. BRAUN, *Secretary*.

A. DE COSMOS, M.P., Victoria, B.C.

GOVERNMENT HOUSE, VICTORIA, 17th May, 1880.

SIR,—I have the honor to enclose a copy of a Minute of my Executive Council, dated the twelfth instant, embodying a resolution unanimously passed by the Legislative Assembly of this Province on the 7th instant, respecting the construction of the Island Section of the Canadian Pacific Railway; and strongly recommending that the request therein contained should be complied with.

I have the honor to be, Sir, your obedient servant,

A. N. RICHARD, *Lieutenant Governor*.

To the Secretary of State, Ottawa.

COPY of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Lieutenant Governor on the 12th day of May, 1880.

The Committee of Council advise that the following resolution unanimously passed by the Legislative Assembly on the 7th day of May inst., respecting the construction of the Island section of the Canadian Pacific Railway, viz:—

"That, whereas, this House freely concedes to the Dominion Government due credit for the steps taken by them towards commencing construction of the Canadian Pacific Railway on the mainland, and is, moreover, desirous that the work should be actively prosecuted.

"It is, nevertheless, of opinion that the Dominion Government should be respectfully informed that the fulfillment of the obligations assumed by them in 1874, to immediately commence and finish the portion of the main line lying between Esquimalt and Nanaimo should not, in justice to the Province, be deferred beyond the spring of 1881.

"Be it, therefore, resolved, that an humble Address be presented to His Honor the Lieutenant Governor, praying that he will be pleased to communicate the views of the House as above expressed to the Dominion Government, and recommend them for favorable consideration."

Be forwarded to the Dominion Government, with a strong recommendation, and respectfully request that it be complied with.

Certified.

THOS. BASIL HUMPHREY,

Clerk, Executive Council.

2nd June, 1880.

SIR,—I am directed to acknowledge the receipt of your despatch of the 17th ult. enclosing a copy of a minute of your Executive Council * on the subject of the construction of the Island section of the Canadian Pacific Railway.

I have, &c.,

EDOUARD LANGEVIN, *Under-Secretary of State.*

The Lieutenant Governor of British Columbia, Victoria.

(Copy, No. 24,442.)

GOVERNMENT HOUSE, VICTORIA, 11th October, 1880.

SIR,—I have the honor to enclose to you, herewith, a copy of a minute of my Executive Council, dated the 4th day of October inst., inviting the attention of the Dominion Government to the representations made by this Government regarding the commencement of the Island section of the Canadian Pacific Railway not later than next spring; and also respectfully requesting that this Government be informed of the arrangements made by the Dominion Government for carrying out the above object.

I have the honor to be Sir, your obedient servant,

A. N. RICHARDS, *Lieutenant Governor.*

The Hon. Secretary of State, Ottawa.

COPY of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Lieutenant-Governor on the fourth day of October, 1880.

The Committee of Council deem it advisable that the attention of the Dominion Government be earnestly invited to the official representations made by this Government respecting the expediency of the Island section of the Canadian Pacific Railway being commenced not later than next spring, and that the Dominion be respectfully urged to make such arrangements as may be required to commence and vigorously prosecute the work in the early part of the coming year.

The Committee advise that the Dominion Government be also respectfully requested to inform this Government of their arrangements for carrying out the above object, and that a copy of this order (if approved) be forwarded to the Hon. the Secretary of State.

Certified, T. B. HUMPHREYS,

Clerk, Executive Council.

28th September, 1880.

* Embodying a resolution passed by the Legislative Assembly of British Columbia, on the 7th ult.

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25th October, 1880.

SIR,—I have the honor to acknowledge the receipt of your despatch of the 11th inst., enclosing a copy of a Minute of your Executive Council, dated the 4th of that month, inviting the attention of the Dominion Government to the representations made by your Government regarding the commencement of the Island section of the Canadian Pacific Railway not later than next spring, and also requesting that your Government may be informed of the arrangements made by the Dominion Government for carrying out that object.

I have, &c.,

J. C. AIKINS, *Secretary of State.*

To His Hon. Lieutenant-Governor of British Columbia, Victoria.

GOVERNMENT HOUSE, VICTORIA, 16th October, 1880.

SIR,—I have the honor to enclose to you herewith, a copy of a Minute of my Executive Council, dated the 14th day of October instant, authorizing the Hon. A. DeCosmos, M.P., to press upon the Dominion Government the importance of their carrying out their agreement to construct the Island section of the Canadian Pacific Railway, to point out the advantages to be gained therefrom, as well as the serious injuries sustained by the Province in consequence of withdrawal from sale and settlement, for the past seven years, of the extensive area of valuable lands along the east coast of Vancouver Island.

I have the honor to be, Sir, your obedient servant,

A. N. RICHARDS, *Lieutenant-Governor.*

COPY of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Lieutenant-Governor on the 14th day of October, 1880.

The Committee of Council are of opinion that the interests of the Province require that some person resident at Ottawa, should be authorized on behalf of this Government to press upon the Dominion Government the importance of their carrying out their agreement to construct the Island section of the Canadian Pacific Railway, and at the same time to point out the commercial and economical value of the work, as well as the serious injury sustained by the Province by the withdrawal from sale and settlement for the past seven years, at the instance of the Dominion Government, of the extensive area of valuable lands along the east coast of Vancouver Island, without even the compensating advantages of railway construction, aside from the larger question of wealth and prosperity involved in its completion.

That such authority should be given at once so as to afford ample time and opportunity to the Dominion Government to make their arrangements for proceeding actively with the work and without further delay.

The Committee therefore advise that the Hon. DeCosmos, M.P., who is now, it is believed, in Ottawa, receive such authority, and that he be requested, upon his accepting the same, to report the result of his proceedings to this Government from time to time.

It is further advised that copies hereof (if approved) be forwarded to the Hon. the Secretary of State and to the Hon. Mr. DeCosmos.

Certified,

T. B. HUMPHREYS,
Clerk, Executive Council.

The Hon. the Lieut.-Governor of British Columbia, Victoria.

SIR,—I have the honor to acknowledge the report of your despatch of the 16th ult., enclosing copy of a minute of your Executive Council of 14th ult., authorizing the Hon. A. DeCosmos, M.P., to press upon the Dominion Government the importance of their carrying out their agreement to construct the Island section of the Canadian Pacific Railway, to point out the advantage to be gained therefrom as well as the serious injuries sustained by the Province in consequence of the withdrawal from sale and settlement for the past seven years of the extensive area of valuable land along the east coast of Vancouver Island.

I have, &c.,
J. C. AIKINS, *Secretary of State.*

VICTORIA, B. C., 19th November, 1880.

I am instructed by His Worship J. H. Turner, Mayor of Victoria, to forward you a copy of the resolutions of the British Columbia Board of Trade, and also of those passed by a mass meeting of the citizens of Victoria and residents of Vancouver Island, relating to the default of the Dominion of Canada in carrying out its railway obligations to British Columbia.

The maltreatment which this Province has for so many years received at the hands of the Dominion leads British Columbia to hope that your sense of right and sympathy for an injured people may induce you to use your powerful influence to secure for British Columbia justice from the Dominion or a release from political connection with it.

I am, Sir, your obedient servant,
E. M. JOHNSON, *Secretary.*

BRITISH COLUMBIA—TREATMENT BY THE DOMINION OF CANADA FROM THE DATE OF UNION IN MAY, 1874, TO NOVEMBER, 1880.

Resolutions passed by the British Columbia Board of Trade, January, 1880:—

1. Whereas by the terms of Confederation between the Dominion of Canada and British Columbia, ratified by Her Majesty on the 16th May, 1871, the Dominion of Canada agreed to commence the construction of a railway from the Pacific towards the Rocky Mountains within two years of the date of the Union;

2. And whereas in furtherance of the said agreement, the Dominion Government of the 7th day of June, 1873, fixed the terminus of the Canadian Pacific Railway at Esquimalt, and applied for and obtained from the British Columbian Government the reservation of a 20-mile belt of land along the eastern coast of Vancouver Island for railroad purposes;

3. And whereas the Dominion Government have claimed that a commencement of railway construction was made at Esquimalt within the term of two years agreed upon in the terms of Union;

4. And whereas in the following year, 3th May, 1874, the Dominion Government, through its agent, Mr. Edgar, proposed to the Government of British Columbia "to proceed with the construction from Esquimalt to Nanaimo immediately," and "to push that portion of the railway on to completion with the utmost vigor and in the shortest practicable time," coupled, however with conditions relating to the mainland portion of the railway which were not entertained by the Government of British Columbia, as they conflicted with the terms of Union, and postponed indefinitely the consolidation of British North America, which was the primary object of Confederation;

5. And whereas, in consequence, serious differences arose between the Dominion of Canada and British Columbia, which were referred to Her Majesty's Secretary of State for the Colonies, the Earl of Carnarvon;

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6. And whereas after protracted negotiations, the conditions contained in the despatch of Lord Carnarvon of the 17th November, 1874, to the Governor General of Canada, were accepted as a settlement by the Government of the Dominion and of British Columbia; the first condition being "that the section of the railway from Esquimalt to Nanaimo shall be commenced as soon as possible and completed with all practicable dispatch;"

7. And whereas the Privy Council of the Dominion of Canada, on the 25th March, decided "that prior to the commencement of any work of construction on the proposed railway from Esquimalt to Nanaimo, the Province of British Columbia should convey by legislation to the Dominion Government a 20-mile belt of land along the line of railroad between Esquimalt and Nanaimo," which demand upon British Columbia was immediately complied with by the Legislative Assembly of the Province passing an Act on the 2nd April, 1875, No. 16, intituled: "An Act to authorize the grant of certain public lands to the Government of the Dominion of Canada for railway purposes;"

8. And whereas, on the 6th March, 1875, the Dominion House of Commons, in Committee of Supply, appropriated \$6,250,000 to the Pacific Railway, part of which was expended on the purchase of steel rails for the railway between Esquimalt and Nanaimo, and the rails were accordingly purchased and conveyed to Esquimalt and Nanaimo ready for use;

9. And whereas in the year 1874-75 a construction survey was made of the line between Esquimalt and Nanaimo;

10. And whereas no further action having been taken towards the construction of the said line, a feeling of intense wide-spread dissatisfaction with the Dominion of Canada was created in the Province, which resulted in 1878 in the election of a Provincial Legislature, the majority of the members of which were pledged to insist upon the Dominion carrying out the "Carnarvon Settlement," or separation;

11. And whereas, official assurances were given the Legislature of British Columbia when last in session, that "before the close of that year actual railway construction would be commenced in this Province," and the British Columbia Legislature accepting these assurances in full belief that the Carnarvon settlement would be carried out, adjourned without taking any action hostile to the Dominion interests in the Pacific;

12. And whereas, since the adjournment the Dominion Government has confirmed the selection of Esquimalt as the terminus of the Canadian Pacific Railway, definitely located the line upon the mainland *via* Fraser River, and called for tenders for a portion of the railway in the interior of the Province, but so far as known has not taken any steps to proceed with the construction of the railway between Esquimalt and Nanaimo, to which for so many years and in so many ways it stands pledged and committed;

13. And whereas, good faith and a continuance of satisfactory relations with the Province require a speedy, active commencement of the railway between Esquimalt and Nanaimo, the construction of which is of vital importance to the development of the resources of the Vancouver Island portion of British Columbia, which contains more than half of the population of the Province, and contributes a very large proportion of the revenue paid by the Province to the Dominion,—

Be it therefore resolved, That Sir John A. Macdonald, M.P., Hon. Amos DeCosmos, M.P. Hon. A. Bunster, M.P. and Senator McDonald, as members in the Dominion House of Commons and Senate of Canada for Victoria City and Vancouver Island, be and are hereby instructed to urge and impress upon the Dominion Government the necessity of making such provision this session of Parliament as will secure, this summer, the prosecution of this most important work."

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Resolution passed by the citizens of Victoria and residents of Vancouver Island, November, 1880:—

We, the citizens of Victoria and residents of Vancouver Island, British Columbia, in mass meeting assembled, respectfully call the attention of the Dominion Government to the resolutions passed by the British Columbia Board of Trade, on the 28th January last, reciting important facts relating to the obligations of the Dominion Government to construct the railway between Esquimalt and Nanaimo, and also to the following resolutions bearing thereon, and on the relations existing between British Columbia and the Dominion, as follows:—

1. That while several of the Eastern Provinces of the Dominion have obtained better terms than those under which they confederated, the Western Province of British Columbia, under the Carnarvon settlement (in language of Lord Carnarvon) "will receive considerably less than was promised to her as the condition of entering the Dominion;"

2. That the first condition of the said settlement, made in 1874, was the construction of the railway from Esquimalt to Nanaimo;

3. That although the people of the Province were justified in expecting the commencement of the Esquimalt-Nanaimo Railway in 1875, their generous recognition of the embarrassed condition of the Dominion induced them for years to refrain from emphatically insisting upon the immediate construction of the railway;

4. That Lord Dufferin, in his official capacity of Governor General of the Dominion of Canada, in his speech delivered at Government House, Victoria, September 20th, 1876, pledged his word for the good faith of the Dominion to British Columbia in the following impressive language: "I would sooner," said his Lordship, "cut my right hand off, than utter a single word that I do not know to be absolute truth. * * * Every single item of the Carnarvon terms is at this moment in the course of fulfilment;"

5. That after five years of patient waiting the only Acts of the Dominion, in 1880, at all bearing upon the Esquimalt and Nanaimo Railway have been the application to the Provincial Government for the conveyance to the Dominion of an additional twenty miles belt of land between Esquimalt and Nanaimo, and the removal of steel rails purchased for the Esquimalt and Nanaimo Railway from Nanaimo to near Yale, on the Frazer River, for the use of the Emory Bar and Savona Ferry section of the Canadian Pacific Railway on the mainland;

6. That it is believed throughout the Dominion that arrangements have been recently made with a syndicate of capitalists for the construction of the Canadian Pacific Railway by 1890, which includes about 500 miles of railway known as the Lake Superior section, and excludes the 70 miles of the railway between Esquimalt and Nanaimo;

7. That under the Carnarvon settlement the first portion of the railway to be built was the Esquimalt and Nanaimo Railway, and the last the Lake Superior section which was postponed indefinitely until after the completion, by 1890, of the railway between the Pacific seaboard and Lake Superior;

8. That it is evident that the Dominion of Canada has not kept faith with British Columbia in carrying out its railway obligations;

9. That the inducements to British Columbia to confederate with the Dominion of Canada was the agreements which held out the prospects of rapidly opening up, settling and developing different portions of this Province;

10. That in consequence of the default of the Dominion, Confederation has inflicted irreparable injury upon Vancouver Island, a most important part of British Columbia. So far from inducing settlement, it has prevented it. From the 7th June, 1873, until now, a belt of land along the east coast of Vancouver Island, over 180 miles in length, by 20 miles in breadth, has been kept locked up by the Dominion, so that thousands who intended to settle in this valuable portion of the Province have been placed across the boundary into Washington Territory which, in consequence, has largely increased in population since last census, greatly at the expense of British Columbia;

11. That although under the terms of Union British Columbia was allowed to return to her own tariff until the date fixed for the completion of the Canadian Pacific Railway, she, believing in the good faith of the Dominion as regards its railway obligations, accepted the Dominion Tariff. By this generous act the amount of revenue paid by British Columbia to the Dominion since Confederation has exceeded the expenditure out of revenue of the Dominion in British Columbia (much of which has been of no benefit to this Province) so that British Columbia has been a financial aid and not a burden to the Dominion;

12. That in 1874, when the Carnarvon settlement was made, the Customs duties collected in British Columbia amounted to \$306,436, while in 1879 \$517,261 were collected, although the railway construction had not been commenced in the Province;

13. That since Confederation over \$50,000,000 has been borrowed by the Dominion for public works and other purposes, and although British Columbia has been made to pay more in proportion than her fair share of interest thereon, no portion of the \$50,000,000 has been expended by the Dominion in British Columbia in carrying out the Carnarvon terms;

14. That the Dominion Tariff, however beneficial it may be to the Eastern Provinces, is an injury to British Columbia, as it weighs heavily in the great producing interests of the Province, and has destroyed the large trade previously done by Victoria in British goods with the adjoining States and territories of the United States, and has failed to create or encourage any new industry;

15. That the only compensation possible for the many drawbacks of Confederation is railway construction by the Dominion under the conditions of the Carnarvon settlement, and unless the Dominion is prepared to carry out the railway obligations with British Columbia, the Province would benefit largely by being placed in the same position to the British Crown as Newfoundland now occupies, having full control of her own resources and developments.

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CANADIAN PACIFIC RAILWAY

SPEECHES DELIVERED IN THE HOUSE OF COMMONS

—BY—

HON. MR. DECOSMOS, M. P.,

—ON—

Friday and Monday, 16th and 19th April, 1880

(Re-published from the Official Report of the Debates, Page 1491-1519.)

MR. DECOSMOS: I have as much physical strength, I dare say, as the hon. the First Minister has, and perhaps more; and if the Government are prepared to resist such a reasonable proposition as an adjournment, they must be prepared to sit here till, at the earliest, eight o'clock in the morning. I propose to discuss this question, Mr. Speaker: I would have preferred to have addressed the House within reasonable hours, but as it is the will of this House that I shall not have that privilege, I trust to your indulgence possibly for two, or three, or four, or perhaps more hours, in which I shall speak, in accordance with the law and usage of Parliament. We have had a speech from the hon. the Minister of Railways, in which he made his annual statement on the Pacific Railway; and we have had also the annual review from the hon. member for West Durham (Mr. Blake). I may say that the speech of the hon. the Minister of Railways was cheering; it was full of energy and replete with information, and gave us confidence in the future of our country. It will be unnecessary for me to go into the whole of the details respecting the Pacific Railway, for the hon. the Minister of Railways has made detailed explanations to the House. I will, however, briefly refer to the whole line, from the railway system of Ontario and Quebec to the Pacific Ocean. The first section to which I will direct attention is that between the

Canada Central Railway, the Montreal, Ottawa and Occidental Railway and westward *via* Lake Nipissin to a junction with that section of the Canadian Pacific now in part completed and part under construction between the west end of Lake Superior and Selkirk. As I remarked, I will avoid detail. Several Sessions ago, I made a statement to this House showing that—with a certain number of wheat-growers, and with a certain acreage producing wheat, in Manitoba—the receipts from the transportation of wheat alone to Montreal would pay interest and sinking fund on the entire cost of the road, would meet the cost of maintenance, repairs, and operating expenses and leave a surplus to the credit of the country. In 1873, after the hon. member for Lambton became the head of the Government, I intimated to him the desirability of the early construction of this section, both as a matter of policy, and as a necessary public work, to unite the eastern Provinces with the Great West. But no step has yet been taken in that direction, except the subsidies granted to the Canada Central, and the proposed construction of the Georgian Bay Branch. The hon. the Minister of Railways, I was glad to observe, alluded very briefly to the possible early commencement of the construction of this great link of the Canadian Pacific, connecting the populations of Ontario and Quebec with the Great North-West.

I, therefore, take this opportunity to say that, it will be sound policy on the part of this Government, at an early date, to construct this section connecting the Quebec and Ontario system of railways with the section from Fort William to Selkirk, so as to carry grain through, on an all-rail route, to the ships in the eastern seaports of our Dominion. I support this policy, not merely as a party matter, but as a matter that concerns the interests of the Dominion, as a whole, and affects particularly the two large Provinces of Quebec and Ontario. Sir, I trust that the hon. the Minister of Railways, during the Recess, will prepare a scheme for its early construction, and submit it for the sanction of Parliament at its next Session. A Railway can carry more cheaply than the canals.

AN HON. MEMBER: No, no.

MR. DECOSMOS: My hon. friend to my right says: "No, no," but I find, Sir, that reports respecting canals show this to be, as I state. The Railways from Chicago to New York, and the Railways from the West to Philadelphia and Baltimore, are carrying more than what goes by the water system. The steel rail revolution has nearly overthrown lake and canal transportation. Besides that the crowded passenger trains from the east, and the great volume of westward bound freight, enables the eastern-bound freight trains to carry grain and provisions at such low rates as to make water transportation neither as profitable, nor as desirable as formerly, and consequently prevents the canals and lakes from being as great carriers now, relatively to the total volume of eastern-bound freight in the United States as they once were in the past. At any rate we have spent since 1873 more than \$15,000,000 to enlarge our St. Lawrence Canal system, and we do not get out of it enough to pay current expenses. The tonnage of the shipping in the lakes is small, in comparison to what might be expected, as a corollary to our grand scheme of water transportation. Well, Sir, returning from this digression, I say that the line between the Thunder Bay—Red River section, and the railway system of Ontario and Quebec, ought to be built, and built quickly and early. I will take up another point. I

believe the late Government made a mistake in commencing work, in expending money, on the Lake Superior—Red River section of the Pacific Railway. It is really nothing more than part of the trans-continental line, it seems to me, to run as a competing line with the Pembina section half of the year, and also as a competing line for the same period with the main trunk line between Selkirk and Nipissing when the latter shall have been completed. If proper energy had been manifested, and wisdom displayed in the expenditure of the money on the through line between Nipissing and Selkirk, the work would have been carried through and completed by this time. Now, Sir, with respect to the Pacific Railway from Red River to the foot-hills of the Rocky Mountains, the hon. the Minister of Railways, with his energy and bold determination, has enunciated a policy for building it and opening up the country, which shows him accustomed to rule a country; he has shown how the resources of the North-West can be developed and the country filled with population. I endorse that policy, and look forward to the near future covering that land with prosperous farms and thriving cities, with a net-work of railways like a spider's web. I believe the hon. gentleman is one of those statesmen who does not propose to put on slow engineers; but is one who wishes our navvies to drive the buffalo and the deer before them on their way westerly to the foot of the Rocky Mountains. Now, Sir, we have had speeches delivered here with respect to the land policy of the Government,—the land policy propounded by the right hon. the Minister of the Interior, to settle the North-West with new provinces; settle it with a daring, peaceful, industrious population, who will clothe that naked land with cultivated fields, happy homesteads, busy villages, and ambitious cities—the hum of their industries, along the line of the Pacific Railway, girdling the continent from ocean to ocean, and yielding Revenue more than will repay a hundred times over and over again, the cost of its construction. I will not enter into detail to show how the Government may be recouped by its land policy, for its expenditure in building the Pacific Railway. That has been well and fully

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done by the right hon. the Leader of the House, when he explained the financial policy of the Government respecting the Railway. But, Sir, I will say that I believe that policy to be sound and good: and that it is calculated to build up the North-West as successfully, as permanently, and as rapidly as any policy that can be propounded. Whilst the Railway Land policy of the Government was under discussion, and during this debate, allusion was made to the growth of population in Nebraska and Kansas. Sir, when I first slept in Nebraska—rolled up in my blanket on the ground, twenty-eight years ago—there was not a white settler's house within its borders. The frontier military posts, and a few licensed Indian traders, were its only inhabitants besides the wandering tribes of the plains. When I first slept in Kansas it was the same. There was then west of the Missouri, no State of Nebraska, Kansas, Colorado, Nevada, or Oregon; no Territory of Dakota, Montana, Idaho, Wyoming, Arizona, or Washington; no British Columbia. The only organized Governments were the Territory of Utah, composed of a few scattered settlements along the foot-hills of the Wahsatch Mountains and near the shores of Salt Lake; the Territory of Oregon, which had a few settlements on the Columbia, Willamette, Cowlitz and Nisqually; the Colony of Vancouver Island, with a mere handful of whites, gathered under the guns of Fort Victoria; and the State of California, with two to three hundred thousand people. There was then but one small mail that crossed the continent, and that was carried monthly from Salt Lake, each way, during about six months in the year. Since then the whole extent of that vast territory has been covered with young nations, possessing all the elements of vigorous national life, enjoying all the appliances of modern civilization, yielding fabulous wealth, and stoutly contending as rivals in the race of progress with States and Provinces, the work of centuries on this continent. Western Nebraska and Kansas, with Colorado, Montana, Idaho, Washington, Utah and Nevada, are no better than British Columbia, and in many important respects are far worse. Two hundred and fifty miles west of Missouri River,

Nebraska and Kansas cease to be agricultural states. Thence for sixteen hundred miles west, till the valley of the Sacramento is reached, no cultivated land exists—except patches in Utah nourished by irrigation. North and south, east and west, it is mountains with untold mineral wealth, and vast plains that will ever remain pasture lands, amid irredeemable deserts. The consequence is that when the western limit of cultivable lands in Nebraska, Kansas, and contiguous territories, shall have been occupied, the tide of population flowing westwardly in the United States in search of arable land, will turn northwardly and spread itself over the fertile belt in our Great North-West. Of this, there seems to me to be no doubt. Hence the policy of Government in pushing onward vigorously the Pacific Railway—providing facilities of rapid transportation for our own immigration and the coming tide from the south—commends itself to every patriot. The hon. gentlemen opposite, ever since the Debates this Session began, and ever since the admission of British Columbia, have declaimed against the building of a railway at such a vast cost. Why, Sir, the total amount for the whole line, some \$80,000,000, would be voted by this Parliament at once, for the purpose of defence, if a war broke out to-morrow, and would be voted without a dissenting voice. Sir, if the expenditure for the Railway, is spread over eight or ten years, it is small in comparison to such an expenditure for defence purposes; for war expenditure would be an expenditure from which we should see no great reproductive works in the future, but would be spent at once and lost for ever. But this Railway is a great work, a great national work, that will be valuable for all time; and will become more and more valuable year after year. War would insure a vote of a vast expenditure of millions, entailing the slaughter of our sons, the destruction of our property, and manifold miseries; whereas here, we hesitate and object to a vote for a peaceful purpose; for a railway that will always be an instrument of peace, and an implement of war. Let me draw the attention of the House to some statements made by the *Toronto Globe*, while the hon. member for Lambton (Mr. Mackenzie) was the leader

of the late Government, on the 31st of August, 1876. It was made at the time that Lord Dufferin was in British Columbia on a mission that proved to be a failure; was made after the route for the Pacific Railway had been adopted,

from Tête Jaune Pass to Fort George; and was published, no doubt, semi-officially by the hon. member for Lambton to influence the people of British Columbia. It is as follows:—

Thunder Bay to Red River,	413 miles,	average per mile	\$28,000	.....	\$11,430,000
Red River to Livingstone,	271 do	do	16,300	.....	4,420,000
Livingstone to Edmonton,	516 do	do	19,000	.....	9,772,000
Edmonton to Yellow Head Pass,	283 do	do	19,000	.....	6,601,000
Yellow Head Pass to Stewart River,	260 do	do	20,000	.....	5,335,000
Stewart River to Bute Inlet,	288 do	do	46,500	.....	13,420,000
Total miles 2,031					Total cost \$50,978,500
French River to Thunder Bay,	620 do	do	40,000	.....	24,800,000
Total through line 2,651 miles					Total cost \$75,778,500
Branches					
Georgian Bay Branch, 80 miles					\$1,120,000
Pembina branch, 89 miles, at \$15,000 per mile					1,335,000
Subsidy to Canada Central, 120 miles, at \$12,000 per mile					1,440,000
					3,895,000
Total cost Pacific Railway					\$79,673,500

The hon. the Minister of Railways, I believe, estimated the cost of the Pacific Railway from Thunder Bay to Burrard Inlet at \$64,000,000. This is higher than the *Globe's* semi-official statement in 1876, for the longer and alleged more costly line from Thunder Bay to Bute Inlet, namely, \$50,978,500. Sir, if this estimate of the hon. member for Lambton and his Engineers were true in 1876, it is true now, and shows that what the hon. members opposite sometime allege to be a work of appalling magnitude is no such thing, and that the objections that they urge are consequently unreasonable. No reasonable public man will truthfully say that \$50,978,500 to construct the Pacific Railway in ten years to come from Thunder Bay to the Pacific is a sum of such appalling magnitude that the people of Canada cannot bear the burden. But Sir, no matter who is right—the estimate of the hon. the Minister of Railways or that of the hon. member for Lambton—we should not halt, but should complete the Railway to the Pacific within the next ten years. The line from Thunder Bay to French River was estimated by the *Globe* to cost \$24,800,000; the Pembina Branch, the Georgian Bay Branch, and the subsidy to the Canada Central at \$3,895,000, making the total cost of the Pacific Railway from French River to Bute Inlet, \$79,673,500. This differs little from the estimate of the hon.

the Minister of Railways, which I understood him to fix at \$82,000,000, for the entire Railway when completed and in operation. Now, Sir, the highest estimate of the cost of the Pacific Railway completed is nearly \$6,000,000 less than the total sum given by the Dominion, the Provinces and the Municipalities, in aid of Railways throughout Canada up to 1879. The Railway statistics supplied to Parliament up to April 1879, are as follows:—

Amount of aid for Railway.	
Dominion	\$65,939,900 51
Ontario	2,229,639 02
Quebec	8,513,613 27
New Brunswick	2,730,000 00
Nova Scotia	918,750 00
Municipalities	7,224,578 63
Total	\$87,456,481 43

This sum has been spent within the last fifteen or twenty years. Yet the country is none the poorer; in fact, it is far richer. The people are as well clothed, fed and housed as they were before its expenditure; and are better able to-day to expend \$80,000,000 in the construction of the Pacific Railway than they were at any period during the expenditure of the \$87,456,481. The aid for railways was paid in bonds, loans, taxes; but the Dominion will repay herself the total expenditure for the Pacific Railway out of revenue received from the sales of land

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along the line. The proposition of the hon. member for Lambton was that \$80,000,000 would build the Pacific Railway; and I do not think that there is a shadow of doubt but that that sum will be sufficient. Sir, this completes my review of the Railway to the foot-hills east of the Rocky Mountains, and brings me to the motion of the hon. member for West Durham (Mr. Blake), who wishes that the road should not be constructed in British Columbia. The Esquimalt-Nanaimo section of the Pacific Railway, we look upon as a road to be built by the Government of Canada, in accordance with the contracts with Columbia, in the Terms of Union, and in fulfilment of the Carnarvon Award; but I will select some other opportunity to deal with that question. Before I deal at length with the motion of the hon. member for West Durham, I wish to draw attention to some figures in regard to British Columbia. The hon. gentleman

said, in his speech, that we had only 12,000 of a population in that Province. Some years ago the hon. gentleman said, at Walkerton, the population was 2,000. I am glad that he has given us credit of an increase of 10,000; but nevertheless, I will endeavour to show that he is as mistaken as a statistician as he is as a statesman. I will first draw attention to some figures in regard to the imports and exports of British Columbia, as compared with the other Provinces. I will not go into all my figures at this late hour, and weary the House, but I expect the *Hansard* reporter to take them in full, as they are tabulated in order that this House, and this country, may know the true relation that British Columbia bears to the rest of the Dominion. I will confine myself only to such explanations as will make my statistics more intelligible. The first table is as follows:—

STATEMENT of the Imports and Exports of the Provinces for 1878-79, compared with each other on the basis of Population.

Provinces.	1878-79.		1878-79.		Estimat- ed Popu- lation.	1878-79.		1878-79.	
	Imports.	Exports.	Excess of Imports over Ex- ports.	Excess of Exports over Im- ports.		Per Capita Imports.	Per Capita Exports.	Per Capita Excess of Imports over Exports.	Per Capita Excess of Exports over Imports.
	\$	\$	\$	\$		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Ontario.....	34,105,820	21,796,803	12,309,020	Nil.	2,000,000	17 05	10 85	6 14	Nil.
Quebec.....	30,924,824	28,890,492	2,044,382	Nil.	1,500,000	20 61	19 25	1 36	Nil.
Nova Scotia...	7,062,614	7,326,018	Nil.	263,404	400,000	17 05	18 01	Nil.	0 66
New Brunswick...	5,296,454	5,871,471	Nil.	75,017	300,000	17 05	17 90	Nil.	0 25
Manitoba.....	1,140,871	512,873	627,998	Nil.	50,000	22 80	10 25	12 56	Nil.
British Columbia..	2,440,789	2,755,972	Nil.	315,183	50,000	48 81	55 19	Nil.	6 30
Prince E. Island ..	845,569	1,831,359	Nil.	985,420	100,000	8 35	18 31	Nil.	9 95

From this table, it will be observed that British Columbia, although only twenty-two years old as a Province, stands next to New Brunswick, and fifth in rank among the Provinces as an importer and exporter of merchandise. Ontario, Quebec, and Manitoba imported more than they exported; Nova Scotia, New Brunswick, Prince Edward Island, and British Columbia exported more than they imported; and British Columbia's excess over imports was nearly as much as the aggregate excess of Nova Scotia and New Brunswick. The *per capita* imports of British Columbia were six times more *per capita* than Prince Edward Island, nearly three times

more *per capita* than either Ontario, Nova Scotia or New Brunswick; and more than double the *per capita* imports of Quebec and Manitoba. Her exports *per capita* were five times more than the *per capita* exports of either Ontario or Manitoba, and three times more than either Quebec, Nova Scotia, New Brunswick or Prince Edward Island. These are incontrovertible facts that I submit to this House, and press upon the attention of the hon. gentleman who has moved a repudiation resolution. I will now draw your attention, Sir, to a summary statement showing the exports of each Province under their respective heads. It is as follows:—

STATEMENT showing Exports of the different Provinces under their respective heads.—1878-9.

Provinces.	Mine.	Fishery.	Forest.	Animals and their Produce.	Agricultural Products.	Manufactures.	Miscellaneous.
	\$	\$	\$	\$	\$	\$	\$
Ontario	825,709	95,531	3,253,724	5,726,453	10,410,174	885,740	229,219
Quebec	236,448	797,662	5,274,894	7,043,290	7,253,052	963,242	93,949
Nova Scotia	335,985	4,498,995	796,703	332,272	509,225	473,755	12,879
N. Brunswick	153,449	681,124	3,622,514	121,163	185,071	120,092	12,952
Manitoba	399	2,635	Nil.	474,071	33,752	892	Nil.
P. E. Island	45	219,431	40,258	74,545	1,234,085	256,592	Nil.
Brit. Columbia	1,530,812	643,493	273,366	268,671	2,505	Nil.	Nil.
Total	3,082,900	6,928,871	13,261,459	14,100,694	19,628,464	3,700,281	386,281

This statement shows that British Columbia exported one-half of the total exports of the produce of the mines of the Dominion; and in that class of exports takes the first rank. She stands fourth in rank as an exporter of the produce of the Fisheries, and exports three times more than Prince Edward Island that is so urgently asking for a share of the Fishery Award. As an exporter of the produce of the forest, she stands fifth in rank; and fifth also in rank as an exporter of animals and their produce. In agricultural products she is the smallest exporter of any of the Provinces; but I predict that after the Pacific Railway shall have been completed, she will export more than any other Province. Besides her exports, the value of her agricultural products, farming and stock-raising cannot be less than \$1,000,000, and her productive industries of other kinds, \$750,000, making the total value of products for domestic use, \$1,750,000 in 1878-9, or the total aggregate value, in that year, of exports and productions for domestic use, \$4,500,000. Need it be wondered at, then, if British Columbia, with half her population Indians, has confidence in her own magnificent resources, and content, if need be, to stand alone, that she is proud of her position and power; and that she treats with disdain those who would violate their pledges, and trample under foot the most solemn obligations? I will now, Sir, bring under the notice of the House a statement of the trade between British Columbia and the other Provinces. It is as follows:—

STATEMENT of Inter-Provincial Trade, between British Columbia and the Eastern Provinces,

since 1871. Goods imported into British Columbia from Eastern Provinces, since 1871.

July, 1871, to June 30, 1872	\$ 22,214 52
" 1872, " " 1873	75,004 08
" 1873, " " 1874	66,104 17
" 1874, " " 1875	117,054 16
" 1875, " " 1876	129,735 13
" 1876, " " 1877	160,814 00
" 1877, to Dec. 31, 1877	57,162 06
Year " 1878	169,753 00
" " 1879	184,561 00

Total Imports by B. C. from other Provinces	\$983,005 50
Total Exports of B. C. to other Provinces in gold drafts to pay for Imports	983,005 50

In round numbers, British Columbia has purchased, in eight years and a-half, a million dollars' worth of merchandise of Ontario and Quebec, principally the former, and paid for it in gold. The 50,000 Columbians—whites, Chinese and Indians—have, within eight years and a-half, paid Ontario and Quebec \$20 each for goods produced in this country. That \$1,000,000, when passed from hand to hand in trade, has added \$5,000,000 to the aggregate volume of their domestic trade, and has contributed to the support of hundreds of operatives and hundreds of families,—and yet that is but the dawning of the inter-provincial trade with the Pacific Province. When there are one or two hundred thousand of a white population on our western coast, when the Pacific Railway, completed, shall carry cheaply across the continent, the domestic market offered to eastern manufacturers in British Columbia, will be worth its \$1,000,000 or \$2,000,000 or more a year. Probably neither the Government nor Opposition have noted this inter-provincial trade in the past, or forecast its

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volume in the future. It is, nevertheless, a growing domestic trade that will be swollen into grander dimensions as the Pacific Railway progresses towards completion; and after its completion, our merchants and manufacturers of Old Canada and the Maritime Provinces will not merely supply manufactures for domestic consumption on our western coast and great North-West, but will enter into earnest competition with the advanced nations of the world to supply our domestic manufactures to a thousand foreign markets around the Pacific Ocean. Mr. Speaker, I will now draw your attention to the taxes paid by British Columbia and other Provinces into the Federal Treasury. I will first give a statement of what each Province paid in Customs in 1878-9. It is as follows:—

STATEMENT showing what each Province paid in Customs into Consolidated Fund in 1878-9, and what they would have paid at the rate *per capita* paid by British Columbia, on estimated population of 50,000, including Indians; and also on 25,000, by reckoning 25,000 Indians equal to 5,000 white consumers.

Provinces.	1878-9 Customs Paid.	Estimated population.	Would have paid as B. Columbia per capita \$10.42 on 50,000 popu- lation.	Would have paid as B. Columbia per capita \$4.168 on 25,000 popu- lation.
	\$		\$	\$
Ontario ..	4,978,514	2,000,000	20,840,000	41,680,000
Quebec ..	4,788,919	1,500,000	15,450,000	31,200,000
Nova Scotia ..	1,204,289	400,000	4,168,000	8,336,000
N. Bruns'k ..	1,063,447	300,000	3,126,000	6,252,000
P. E. Island ..	208,435	100,000	1,042,000	2,084,000
Manitoba ..	275,484	50,000	521,000	1,042,000
B. Columbia ..	521,143	50,000	521,143	521,143
Total	13,040,591	4,400,000	45,814,433	91,175,443

This statement shows that the entire Customs paid by all the Provinces into the Consolidated Fund in 1878-9, was \$13,040,331. That if Ontario, Quebec, Nova Scotia, New Brunswick, Manitoba, and Prince Edward Island, had paid in Customs into the Consolidated Fund, at the same rate *per capita* as British Columbia, the total amount that it would have reached, is \$45,814,433; and if at the same rate *per capita* as British Columbia really paid, assuming that 25,000 Indians are only equal to 5,000 white consumers, the amount paid by all of the Provinces into the Consolidated Fund would have reached the enormous sum of \$91,175,443. From this statement hon. gentlemen, Sir, will perceive the astounding disproportion

between the Customs taxes paid by British Columbia, and what was paid by the other Provinces. If they had paid in Customs dues at \$10.42, the British Columbia *per capita* rate on a population of 50,000, they would have paid more than three times the amount they did; and if on the reduced basis of population for British Columbia, they would have paid six times the amount in Customs that they did. But, Sir, I will not weary the House with further explanations under this head, but I will draw your attention to another statement comparing the percentage of Customs collected in British Columbia with that of other Provinces, and the proportion that the population of that Province bears to the other Provinces. I will read it. It is as follows:—

STATEMENT of Customs collected in British Columbia during the fiscal year, 1878-9, compared with the Customs collected in the same period in Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island and Manitoba; showing, also, the proportion of population in those Provinces to that of British Columbia:

ONTARIO.

Columbia paid in Customs an amount equal to 10½ per cent. of the sum paid by Ontario—that is, 50,000 Columbians paid \$521,143, and 2,000,000 Ontarians paid \$4,978,514, the proportion of population being 1 to 40, or 5 Columbians to 200 Ontarians.

QUEBEC.

Columbia paid in Customs an amount equal to 10 7-8 per cent. of the sum paid by Quebec—that is, 50,000 Columbians paid \$521,143, and 1,500,000 Quebecers paid \$4,788,919, the proportion of population being 1 to 30, or 5 Columbians to 150 Quebecers.

NOVA SCOTIA.

Columbia paid in Customs an amount equal to 43 3-10 per cent. of the sum paid by Nova Scotia—that is, 50,000 Columbians paid \$521,143, and 400,000 Nova Scotians paid \$1,204,289, the proportion of population being 1 to 8, or 5 Columbians to 40 Nova Scotians.

NEW BRUNSWICK.

Columbia paid in Customs an amount equal to 49 3-100 per cent. of the sum paid by New Brunswick—that is, 50,000 Columbians paid \$521,143, and 30,000 New Brunswickers paid \$1,063,447, the proportion of population being 1 to 6, or 5 Columbians to 30 New Brunswickers.

PRINCE EDWARD ISLAND.

Columbia paid in Customs an amount equal to 150 1-6 per cent. more than the sum paid by Prince Edward Island—that is, 50,000

Columbians paid \$521,443, and 100,000 Prince Edward Islanders paid \$208,438, or Columbia paid \$250 1-11 to \$100 paid by Prince Edward Island, or \$313,005 more than Prince Edward Island, the proportion of population being 1 to 2, or 5 Columbians to 10 Prince Edward Islanders.

MANITOBA.

Columbia paid in Customs an amount equal to 87 8-11 per cent. more than Manitoba—that is, assuming the population to be equal, Columbia paid \$187 8-11 to \$100 by Manitoba, or \$521,443 to \$275,484 by Manitoba, an excess over Manitoba of \$245,959."

This statement is so full and clear, Sir, that it is unnecessary for me to enter now upon an explanation. I will, therefore, come now to the Inland Revenue paid by the different Provinces, and I submit the following statement:—

INLAND REVENUE.—Excise. Sources of Revenue: Spirits, Malt Liqueur, Malt, Tobacco, Petroleum Inspection, Manufactures, Seizures and other Receipts, 1878-9.

Province.	Estimated Population.	Total Excise.	Per Capita.	More than Col-umbia.	Less than Col-umbia.
		\$	\$	\$	\$
Ontario	2,000,000	3,383,315	1 10	0 55	Nil
Quebec	1,500,000	1,472,359	0 98	0 34	Nil.
Nova Scotia	400,000	222,011	0 55	Nil.	0 09
N. Brunswick	300,000	234,869	0 74	0 10	Nil.
P. E. Island	100,000	50,371	0 50	Nil.	0 14
Manitoba	50,000	54,223	1 08	0 44	Nil.
B. Columbia	50,000	32,319	0 64	Nil.	Nil.

In this statement the estimated population of each Province is given, the amount paid by each Province, the rate *per capita* in Excise in each, and the amount *per capita* more or less than in British Columbia. It shows that the Excise paid in Ontario is 55 cents more *per capita* than in British Columbia; 34 cents more in Quebec, 10 cents more in New Brunswick and 44c. more in Manitoba; and that it is 9c. less in Nova Scotia, and 14c. less in Prince Edward Island. This shows that British Columbia pays more *per capita* in Excise than either Nova Scotia or Prince Edward Island and less than the other Provinces. What she is, however, deficient in her contribution to Excise, in comparison with some Provinces is a hundred times counterbalanced by her payments in Customs in excess of all others. Before leaving this question, however, I may remark that we had, a few days ago, a discussion on the Tariff. The whole energy of the Opposition and whole strength of the Government was directed to one point—the Customs

Revenue and how it was levied. No one, so far as I recollect, touched upon Excise and Stamps, amounting to over \$5,500,000, nor upon Post-office and Public Works, and other receipts amounting in all to over \$4,000,000. My hon. friend from North Norfolk (Mr. Charlton) did discuss the sale of Crown Lands; but not with respect to Revenue. His arguments were directed solely to the best mode of managing our North-West lands, with a view to settlement. Out of \$22,517,381, the total Consolidated Revenue for 1878-79, the Customs only yielded \$12,900,659. The difference, \$10,000,000, in round numbers, remained unquestioned, showing the opinion of the Opposition to be, if it showed anything at all, that the sources of Revenue, other than Customs, as managed by my hon. friend the Minister of Finance, to be in a state of perfection. Even the long and wearisome discussion on the Tariff by hon. gentlemen opposite, amounted to little or nothing; for, if they were in office to-morrow, they could not reduce taxation, because the obligations of the country are such that taxation cannot be lowered; and hence some other expedient must be adopted to lighten the burdens of the people, if too oppressive. We will consider now the Consolidated Revenue and Expenditure with respect to British Columbia, inasmuch as our Province has been supposed by hon. gentlemen opposite to be a poor contributor; also to show the payments required of each Province, and to show what British Columbia is entitled to pay as the ordinary *per capita* of the Dominion, as her share to the Consolidated Fund, and her share for Public Expenditure. I have in my hand a summary detail, from the Public Accounts, of the Consolidated Fund and Expenditure for 1878-9, which I will give to the *Hansard* reporter for insertion, and not enter upon the full details now. The summary is as follows:—

SUMMARY OF CONSOLIDATED FUND.

Taxes, 1878-9.

Customs	\$12,900,659
Excise	5,390,763
Bill Stamps	185,199
Total	\$18,476,613

Other Receipts.

Post Office	1,172,418
Public Works, including Railways	1,863,149

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Interests on Investments (perma- nent)	521,494
Interests on Investments (tempo- rary)	71,005
Ordinance Lands	40,849
Casual	47,621
Premium and Discount	460
Bank Impos's	2,853
Fines, Forfeitures and Seizures ..	32,148
Tonnage Dues (River Police)	21,361
do (Mariners' Fund) ..	37,757
Steamboat Inspection	12,331
Fisheries	17,738
Cullers	24,715
Militia	16,031
Penitentiaries	53,115
Miscellaneous Receipts	15,325
Superannuation	41,959
Dominion Lands (Manitoba)	23,828
Dominion Steamers	1,612
Gas Inspection and Law Stamps ..	3,172
Insurance Inspection	6,134
Weights and Measures	13,685
Total	\$4,040,768

<i>Summary.</i>	
Taxes	\$18,476,613
Other Receipts	4,040,768
Total Consolidated Fund	\$22,517,381

SUMMARY OF EXPENDITURE.

Charges for Debt and Subsidies ..	\$11,942,641
Ordinary Expenditure	6,941,577
Charges on Revenue	5,561,162
Total Expenditure.	\$24,455,386

Now, Sir, I have framed a tabular state-
ment that shows in the most concise form
possible what each Province in 1878-9
ought to have contributed to the Con-
solidated Fund, and what ought to have
been their respective contributions to the
Public Expenditure. I will read it. It is
as follows:—

CONSOLIDATED REVENUE AND EXPENDITURE OF DOMINION.—Total Consolidated Revenue,
1878-9, \$22,517,381; Total Population, 4,400,000; Average Revenue, *per capita*, \$5.12.
Total Expenditure, 1878-9, \$24,455,381 56; Total population 4,400,000; Average Expendi-
ture, *per capita*, \$5.56.

Province.	Estimated Population.	Approxi- mate Aver- age Re- venue per Capita	Share of Consoli- dated Revenue required of each Province as per population.	Approxi- mate aver- age expen- diture per Capita.	Proportionate share of Expenditure re- quired of each Province as based on Popu'n.
		\$	\$	\$	\$
Ontario	2,000,000	5.12	10,240,000	5.56	11,120,000
Quebec	1,500,000	5.12	7,680,000	5.56	8,340,000
Nova Scotia	400,000	5.12	2,048,000	5.56	2,224,000
New Brunswick	300,000	5.12	1,536,000	5.56	1,668,000
Prince Edward Island ..	100,000	5.12	512,000	5.56	556,000
Manitoba	50,000	5.12	256,000	5.56	278,000
British Columbia	50,000	5.12	256,000	5.56	278,000
	4,400,000		22,528,000		24,464,000

Sir, no statements can be submitted to
this House that show more correctly the
just charges for Revenue and Expenditure
laid on each Province than the one that I
have just read to this House. It shows
that the rate *per capita* for Revenue is
\$5.12, and the rate *per capita* for Ex-
penditure is \$5.56, throughout the whole
Dominion from sea to sea. The burden
of taxation and expenditure thus rests
equally upon the entire people. When
however, the *per capita* contribution to
the Revenue and Expenditure of any Pro-
vince is higher than in any one or all
the other Provinces, that Province is
unequally and unfairly taxed. I admit
that it is impossible to impose taxes with
mathematical exactness upon our whole
people. Some sections of our country
and some classes of our people, under our

system of taxation, will contribute more
to the Revenue than other sections and
other classes, and our only course is so to
impose taxes as to rest approximately
evenly on all. British Columbia, however,
is one of those sections of the Dominion
that contributes far more *per capita* than
any other Province. She contributed in
1878-9, an excess, over her just share to
the Consolidated Fund, of \$297,762; and
an excess, over her legitimate contri-
bution to the Expenditure, of \$275,762.
The former and following statements
prove this clearly and indisputably to
this House:

REVENUE.—CONSOLIDATED FUND.

Total sum required of British Colum- bia, to pay her share of Consol dated Fund, on basis of population, 1878-9	\$256,600
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END.

2,900,659
5,390,763
195,199
8,476,613
1,172,418
1,863,149

Total sum actually paid by British Columbia, into Consolidated Fund, in Customs and Excise, 1878-9..... \$553,762
 Total sum actually paid into Consolidated Fund by British Columbia, in excess of sum required as her share on basis of population, 1878-9. 297,762

EXPENDITURE.—CONSOLIDATED FUND.

Total sum required of British Columbia, to meet her share of expenditure on basis of population, 1878-9 \$278,000
 Total sum actually paid by British Columbia, in Customs and Excise, toward Dominion Expenditure.... 553,762
 Total sum actually paid by British Columbia, in Customs and Excise, toward Dominion Expenditure, in excess of amount required, on basis of population, 1878-9 275,762

For a people numerically so small in comparison with the populations of older and larger Provinces, the contribution of British Columbia, in excess of her just proportion, is enormous. The excess is larger than the whole contribution to the Customs Revenue by Manitoba, or the entire Customs and Excise contribution of Prince Edward Island. Yet, Sir, not a murmur has been heard from our people. We have borne the enormous burden of Federal taxation as a manly, self-reliant people. We have only asked the Dominion to meet her just obligations to the Province; and yet up to the present, the greatest of the Dominion's obligations has not been met; and an hon. gentleman opposite proposes to repudiate that. The hon. member for West Durham spoke to-day as if his own Province, Ontario, paid nearly everything. He said she was willing to spend her money throughout the Dominion. The

House ought to understand that we have ceased to be provincial, and that we meet here as representatives of the Dominion; that we pay taxes as the citizens of Canada; and no matter what the revenue may be—no matter what the expenditure whether outside, for our agency in England, or for purposes inside—the expenditure is so much for British Columbia, Nova Scotia, and other Provinces as well as for Ontario. The hon. gentleman keeps his books in single, double and treble entry—he keeps his books for the Dominion, the Provinces, the counties, the townships, and so on *ad infinitum*, and took occasion to read from them to-day to show how much the other Provinces received from Ontario. Nothing could be more subversive of good feeling under our Federal form of Government than parading what each Province contributes to the Federal Exchequer merely in laudation of Ontario, and thus raising invidious distinctions between the Provinces of this Dominion. None but a parish statesman could do such a thing. The statement often made in the press, that Ontario pays all the Revenue, is not correct. True, she has a large population, but the citizens of Quebec might as well say they pay all, because their number is also very large. Later on I will deal with this issue. I wish now, Sir, to submit to the House a tabular statement showing the total approximate amount of Revenue paid by British Columbia in eight years into the Federal Treasury. I will read certain portions, and hand the table to the *Hansard* reporter for insertion. It is as follows:—

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TOTAL APPROXIMATE AMOUNT paid by British Columbia, between July 20, 1871, and June 30, 1879, into Consolidated Fund.

	1871-2.	1872-3.	1873-4.	1874-5.	1875-6.	1876-7.	1877-8.	1878-9.	Total for Eight years.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	
Customs.....	354,864 60	303,965 20	335,787 29	414,331 85	487,013 34	404,895 42	426,391 34	54,854 91	
Excise.....	1,457 14	5,723 93	10,674 84	11,181 01	14,913 71	20,264 60	24,933 33	31,969 20	
Total taxes....	356,321 74	309,689 13	346,462 13	425,512 86	501,927 05	425,160 02	470,326 67	86,824 11	\$3,392,152 80

CASUAL AND TERRITORIAL REVENUE.

Post-office....	777 34	16,740 90	9,504 20	12,264 11	14,074 67	13,431 08	16,044 61	16,791 38	
Ocean service...		24,732 72	12,440 20	2,975 12	12,439 84	8,152 25	1,952 23	1,612 09	
Telegraph....		14,310 48	10,129 72	9,489 18	9,257 07	7,325 92	8,530 67	5,179 70	
Harbor dues....		12,513 29	295 40						
Miscellaneous....		1,113 42	3,945 97	2,157 20				39 86	
Share Interest	7,199 00	6,310 00	8,415 00	11,674 00	13,631 82	12,881 15	11,088 82	11,762 00	
Premiums					2,349 90	1,878 09	2,612 25	2,865 66	
Marine fund									
Steamboat									
Inspection					405 87	440 83	342 34	620 24	
Fines, etc....					301 76	3,271 72	75 24	75 24	
Casual.....					460 75	2,440 60	725 00	911 68	
Militia.....						476 06	332 73	376 64	
Superannuation....					630 00	670 00	686 00	688 00	
	7,976 34	75,720 81	44,730 49	38,559 70	51,255 99	43,806 74	46,180 27	41,107 83	= 351,344 17
								Total.	\$3,743,496 97

This statement shows that from July 20, 1871, to the 30th June, 1879, British Columbia paid to the Dominion, in Customs and Excise, the large sum of \$3,392,152.80. In addition she paid \$351,314 in Casual and Territorial Revenue, making a gross total of her contributions, from 20th July, 1871, to 30th June, 1879, of \$3,743,606.97. It must appear to hon. gentlemen somewhat singular, if the statement of the hon. member for West Durham be true, that our small population is only 12,000 whites—it must appear singular how they could have paid in those years, nearly \$4,000,000 into the Dominion Treasury. The people who contribute thus, without croaking like the hon. member for L'Islet (Mr. Casgrain), and the hon. member for West Durham (Mr. Blake)—the people who can show themselves willing and generous enough to bear such a burden, and to put their shoulder to the wheel and push on the state car, should receive a higher appreciation than has been extended to them since I have had the honour of a seat in this House. Before leaving this branch of my subject, Sir, I will give a summary showing the total amount paid by British Columbia in excess of her proportionate share. It is as follows:

British Columbia during eight years, from July 20, 1871, to June 30, 1879, paid in Customs and Excise into Consolidated Fund \$3,392,152 80
 British Columbia contributed to Consolidated Fund from Casual and Territorial Revenues, from July 20, 1871, to June 30, 1879 (under estimated) 351,344 17
 \$3,743,496 97

Proportionate share of Consolidated Fund required of British Columbia in eight years, July 20, 1871 to June 30, 1879, at \$256,000 per annum, taking the financial year 1878-9 as the basis for the whole period..... 2,048,000 00

Total amount contributed by British Columbia from all sources to Consolidated Fund in excess of her proportionate contribution, based on Returns of Revenue for 1878-9, in eight years, ending June 30, 1879 ...\$1,695,496 97

Let me repeat that the revenue we have paid in excess of our legitimate share, assuming that each citizen should pay at the same rate, approximately, throughout the Dominion, is nearly \$1,700,000, and at the same time, we have not received that return we ought to have received from the Dominion.

SIR ALBERT J. SMITH: How much have you received?

MR. DECOSMOS: It is quite immaterial how much we have received, so long as we have paid our proper share of taxation. We are not dealing in provincial politics; we are not here as Provincials, but we are here as Federalists. The sooner the hon. member for Westmoreland takes that large view of the matter the sooner he will cease to look at his own small Province solely, or to condemn a rising Province, but twenty-two years old, that pays half as much revenue as his does into the Consolidated Fund. In respect to Dominion Expenditure made in or for British Columbia, allow me to mention that there are certain sums of money that are to be paid for British Columbia that are provided for by Sta-

tute and the Terms of Union. There are other sums that are under the direct control of this Parliament, and either party in the House can oppose them if it pleases; and any vote for Expenditure beyond the statutory provision, the House takes the responsibility for, and not British Columbia *per se*. Now, Sir, I have another statement showing the amount British Columbia would have paid in Customs duties in 1878-9 at the *per capita* paid by each of the other Provinces, and also the amount she would have paid at the average *per capita* rate of the Dominion, and also the amount British Columbia paid in excess of each of the other Provinces and Dominion at their respective *per capita* taxation rates. I will read it. It is as follows:—

STATEMENT showing the amount that British Columbia would have paid in Customs Duties in 1878-9, at the rate *per capita*, paid by each of the other Provinces; and, also, the amount she would have paid at the average *per capita* rate of Customs of the Dominion; also the amount British Columbia paid in excess of each of the other Provinces and the Dominion at their respective *per capita* Customs Tax Rate.

Estimated Population, Indians and Whites.	British Columbia Cust'ms per capita, \$10 42	Cust'ms Ontario, per capita, \$3 06	Cust'ms Quebec, per capita, \$3 97	Cust'ms Nova Scotia, per capita, \$3 05	Cust'm New Brunswick per capita, \$3 67	Cust'ms Manitoba, per capita, \$9 14	Cust'ms P.E.I.s ad, per capita, \$2 19	Cust'ms average, per capita, Dominion, \$3 50
50,000	\$ 521,443	\$ 153,000	\$ 198,500	\$ 152,500	\$ 188,500	\$ 457,000	\$ 109,500	\$ 175,000
Balance that would not have been paid by British Columbia if Customs had been collected at the respective rates of Taxation for other Provinces and the Dominion....		368,443	322,943	368,943	337,943	64,443	411,943	346,443
Total	521,443	521,443	521,443	521,443	521,443	521,44	521,443	521,443

I have prepared these figures in order that this House may understand the true financial position of the Province of British Columbia. I have prepared these with the view that hereafter the croaking against that Province, may cease. To illustrate my object, I will tell a story: I once heard of a person who lived in South Carolina, on the edge of a swamp. The frogs were very numerous, and greatly annoyed this man, and prevented him from sleeping at night. He tried every expedient he could think of to stop the frogs from croaking, and finally he

hit upon the plan of constructing a huge lantern, and whenever the frogs began to croak, he opened the door of the lantern, throwing a flood of light upon the denizens of the swamp, and reducing them to silence at once. I sincerely hope the statements I have made here to night, to throw light upon the finances of British Columbia, will have the effect of stopping this eternal croaking that we have heard in this Parliament from time to time, up to the present day. My hon. friends opposite, and notably the hon. member for Durham, have been talking about rail-

way expenditure in British Columbia, surveys, and all that sort of thing. I have endeavoured to find out the total amount of expenditure in that Province for Pacific Railway surveys, and will give it shortly. Sir, though there have been three Governments in existence since the arrangement was entered into, to commence construction of the Pacific Railway in that Province, yet not a pick has been struck in the ground in the way of construction, not a shovel full of earth has been lifted; not a cart full of earth or stone has been carried; not a culvert has been built, not a bridge erected, not a tie laid, not a rail stretched—nothing has been done whatever; yet we have been told here that a large sum of money has been expended in surveys. Now, before I name that sum, I will call the attention of the House back to the time before British Columbia entered the Dominion. We find such men as Sir George Cartier saying that all the money expended for surveys should be charged to the company who was to undertake the construction of the road. When the Allan Charter was granted, all expenses for surveys were to be borne by the parties holding the charter. Hence the charging of surveys to British Columbia is wrong in principle, and contrary to the utterances of Government in Parliament. I will show this House, nevertheless, on the basis I have just presented, that British Columbia has paid dollar for dollar, and more, into the Dominion Treasury for every dollar expended in connection with the Railway surveys in that Province. I will show you also what we paid in excess. I draw attention to the following statement, namely:

STATEMENT showing surplus paid by British Columbia over her *pro rata* contribution into Consolidated Fund, compared with Railway Expenditure in and for British Columbia up to June 30, 1879.

Surplus of British Columbia over <i>pro rata</i> contribution (see former statement *	\$1,695,496 97
Total Railway Expenditure in and for British Columbia, directly to June 30, 1879.....	1,499,956 19
Balance in excess of Railway Expenditure, held by Dominion Government.....	195,540 78

A large proportion of this money for Railway surveys was squandered, first, through incompetency, and in the next place this money was not all expended in

British Columbia. In making this statement I do not expect you to believe that I acknowledge it to be incumbent on British Columbia to pay anything more than her *pro rata* share to the Consolidated Fund, I want, however, to show you that after deducting this vast sum for Railway surveys, \$1,499,956.17, from the surplus in our Treasury, there is \$195,540 to the credit of British Columbia, showing that the Railway surveys in Columbia actually cost Canada, as a whole, nothing. Yet, we have the hon. member for West Durham, and all the brilliant lights around him, condemning the construction of the Railway in British Columbia, and attempting to repudiate the solemn obligation entered into between Canada and British Columbia, and Lord Carnarvon. We had yesterday and to-day, a long and elaborate speech from the hon. member from West Durham, and in it the hon. gentleman made a statement that the total population of British Columbia was 12,000. I presume it has not been denied by anybody, and I am sure, for the purpose of reviewing his statement, I will not. I find in my notes that I have headed a table founded on this statement, "Blake the Statistician," of which the following is the substance: If only 12,000 people paid \$521,443 into the Customs, the *per capita* rate would be \$44.43; 12,000 paid \$32,319 in Excise, the *per capita* would be \$2.70; total sum paid in Excise and Customs, \$553,762; hence total *per capita* of the population at that rate, \$47.13. Now, if Ontario with an estimated population of 2,000,000, paid an equal *per capita* sum in Customs and Excise into the Dominion Treasury, as British Columbia on the Blake basis, she would have paid \$94,260,000! I think if we had all that money in our Treasury, the genial face of the hon. the Minister of Finance would be lit up with unusual pleasure, and he would then have no difficulty in pushing on to completion all the great public works this country has ever dreamed of. Now, Sir, we will consider the cost of the Yale-Kamloops section of the Pacific Railway. I am not in possession of the statistics that were used by the hon. the Minister of Railways yesterday, and subsequently by the hon. the Minister of Public Works, but, knowing the country through which this section of the Railway

will pass, I estimate, that when completed, it will not cost this country over \$8,000,000. I have heard a gentleman, who is somewhat familiar with railways state it would not cost over \$7,000,000. But I have added the \$1,000,000 named as contingencies to that sum, and fix the total cost of Yale-Kamloops section at \$8,000,000. Sir, I wish to show to this House that if this Railway is constructed it will have been with British Columbia money, and not with Dominion money, except so far as our contributions to the Consolidated Fund belong to the Dominion. I wish to show that this Dominion, outside of British Columbia, will not be called upon to contribute to the construction of the Yale-Kamloops section of the line, and that all we ask is the credit and management of the Dominion. I believe I can demonstrate this beyond controversy. I will read my statement:

STATEMENT showing annual cost to Canada for Interest on Capital invested in completion of Yale-Kamloops section of Pacific Railway. Also, Statement showing how Canada is repaid for Interest.

TOTAL COST.

Yale Kamloops Railway 127 miles	\$8,000,000
EXPENDITURE AND INTEREST, 1880 TO 1885.	
1880-1 Expenditure, \$1,000,000, at 4 per cent., 4 years	\$160,000
1881-2 Expenditure, \$1,500,000, at 4 per cent., 3 years	180,000
1882-3 Expenditure, \$1,500,000, at 4 per cent., 2 years	120,000
1883-4 Expenditure, \$2,000,000, at 4 per cent., 1 year	80,000
1884-5 Expenditure, \$2,000,000, at 4 per cent., to allow for interest on inter-yearly payments	80,000

Total Interest, June 30, 1885 .. \$620,000

EXCESS OF RECEIPTS AND SAVING TO CONSOLIDATED FUND.

1. Annual amount paid by British Columbia in Customs in excess of the proportionate contributions to the Consolidated Fund required of her on the basis of the annual average *per capita* Customs Tax of the Dominion, namely, \$346,443 in five years, from 1880 to 1885, (See *previous statements*) .. \$1,732,215
2. British Columbia Loan Act, 1863, for £50,000 sterling, expires July, 1883, so there will be 10 per cent. Sinking Fund and

Interest saved in 1883-4 and 1884-5	50,000
3. Vancouver Loan Act, 1862, for £40,000 sterling, expires in April, 1882, so there will be saved 10 per cent for Interest and Sinking Fund for 1882-3, 1883-4 and 1884-5	60,000

Total Receipts and Savings ..	\$1,842,215
Total Interest 4 years on Expenditure of \$8,000,000	620,000

Total Excess paid by British Columbia after paying the interest on \$8,000,000 4 years, on Yale-Kamloops Railway	\$1,222,215
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I think, Sir, that I have now done what I promised. I have shown that when the Yale-Kamloops section shall have been completed, the total interest on the capital—\$8,000,000—invested in its construction and completion, namely, \$620,000, will be repaid by British Columbia; and that the total amount of receipts in excess of her *pro rata* contribution for Customs, to Consolidated Fund, and the saving on Expiring Loans, will be, between 1880 and 1885, \$1,842,215, leaving a balance, in excess of the interest, in the Dominion Treasury of \$1,222,215. Now, Sir, it will be perceived that British Columbia has no desire to oppress any portion of the Dominion to construct the Pacific Railway from the Pacific to the Rocky Mountains. All she asks is for the Dominion to use her credit in raising the funds, and to exercise a wise and economical management in the construction of the Yale-Kamloops Railway. The total annual interest on its cost of construction, after completion, will be \$320,000, and, if the road were not to earn a sufficient surplus to meet the interest, the \$1,222,215 referred to will pay the whole for five years longer, when the increased contributions to the Dominion Treasury will continue to pay it and the interest on the extension easterly and westwardly. I regret that the hon. member for West Durham is not here, for I wish to refer to his remarks about the vast sums of money Ontario and Quebec contributed to this enterprise. But, Sir, no statistician, no actuary, could, by any possible means, discover the sum these two Provinces respectively paid into the Dominion Treasury, except as given in the Returns. The hon. gentleman gave us figures showing that the total charge against British

Columbia, from all sources in excess of Receipts, was some \$844,000 in eight years. But I have shown that, according to my way of treating that subject, which, I think, is the correct one, that we are not indebted in that sum, nor any sum, no matter how many similar statements my hon. friend may make. But I will assume, for argument sake, that British Columbia has received, in excess of what she paid into the Dominion Treasury, on the *pro rata* of the Dominion, \$840,000. Now, any statesman worthy of the name, looking upon that vast Province, only twenty years old, would have said: This total sum of \$840,000, at the end of eight years, will amount to \$23,600 a year at 4 per cent., and the present population of this Dominion will not suffer an iota; for it will be passed to Capital Account, and be met by loans that will not be redeemed in this generation; and that, in a few years, Columbia will recoup the Dominion a thousand fold. I wish my hon. friend were present to hear these calculations, for they would, possibly, convince him of the error of his way in making this charge. If I were holding the important public position of my hon. friend, who aspires to control the Government of this country, instead of playing the rôle of a croaker, I would select a more dignified occupation. My policy would not be to croak against the Government that they went too fast, but I would say, you are not going fast enough. That would have been a worthy policy for a leader of the Opposition, if he wished to take a new departure and cast away the miserable traditions relating to this question. Then we would have had the leader of the Opposition vying with, and outbidding for popular favor, the energetic Minister of Railways and the large minded leader of this Government—although I may differ with both of them occasionally, I am glad to concede their just merit—to show who could “best work and best degree,” and who could best promote the interests of the country, and force it ahead. Then we would not have heard so much about the United States; how progressive their people are, and how slow we are. The argument of the hon. gentleman is simply this: that the people of the United States are a progressive people: that we rush there, but they do not rush here. And so we have this

everlasting lowering cloud cast upon the country. I will not say that the hon. member for West Durham, and the hon. gentlemen who surround him, are unpatriotic. I never use the word disloyal without attaching some meaning to it. I have generally found, with respect to those people who are always prating about their loyalty, that, if you scratch a little beneath the skin, you will find very little loyalty. Our material interests modify our sentimental opinions, and when the two come into conflict, it is the opinions which give away. I do not like mere lip-loyalty, either from the Government side or the Opposition side. I like that loyalty which upholds order, maintaining the laws of our country inviolate, and if ever we have to change our relationship with the Mother Country, we will do it in a constitutional way and not hypocritically. We have heard a great deal about the great milch-cow of Ontario. I have not yet completed my enquiries into the sum of money, expended in Ontario, during 1878-79. But as far as I have gone, I believe that in 1878-79, Ontario received more from the Dominion Treasury than she paid in. The Customs, Excise and Stamps—the only taxes imposed—collected in Ontario in 1878-79, were, in round numbers, \$8,460,000; and the expenditure for Salaries, Public Works, Interest, etc., \$8,560,000. Thus showing that the great milch cow of Ontario has received dollar for dollar, and more than she contributed in taxes in that year. Of what then has she to complain? For what reason shall her public men attempt to dominate this Dominion, and insultingly tell smaller Provinces in the language of the late Government to Lord Carnarvon: “It is especially the duty of the smaller Provinces to defer somewhat to the opinions of the older and more populous Provinces from which the Revenue for building all such public works is derived?” The sooner the systematic deification of Ontario, that she is the great milch cow, is blown to the winds, the better. The two millions and-a-half of Canadians outside her border will not submit to be treated as though they were objects of charity, and that by a Province that never had a surplus dollar in her Treasury, till after she had united with them. I now propose, Sir, to speak about the Carnarvon Award. We have had a

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Repudiation Resolution placed before this House, by the hon. member for West Durham. He proposes to repudiate a solemn obligation. He proposes to repudiate the Railway clause of the Terms of Union, and also the Carnarvon Award, made in 1874, and accepted with thanks by the Government led by the hon. member for Lambton. The hon. member for West Durham appears on the Parliamentary stage this Session in two very distinct parts: one, as Award-preserver; the other as Award-breaker. Hon. gentlemen, Sir, will recollect that the hon. member for Algoma moved for a Committee to enquire into all matters connected with the disputed boundary of Ontario. On that occasion the hon. member for West Durham, supported by the hon. members for Bothwell, Elgin, and Lambton, opposed the motion, denouncing it as an attempt to violate a solemn Convention, as the entering wedge to break the Ontario Boundary Award, and concluded his speech by impressing the House with the necessity of maintaining the Boundary Award intact, as it was "infinitely more important in its moral than in its material aspect," that faith should be kept with Ontario in that matter. So full of saintly fervour did the hon. gentleman appear, so exercised seemed his righteous soul over the possibility of disturbing the Ontario Boundary Award by granting a Committee of Enquiry, that he reminded me of Milton's Invocation of the Muse:

"What in me is dark
Illumine: what is low, raise and support,
That to the height of this great argument
I may assert eternal Providence,
And justify the ways of God to men."

The House, however, decreed that the motion should be carried; so all the mental agony of the hon. member for West Durham, excited by a majority of this House who were so lost to the same high sense of pure international morality as that which swelled his patriotic bosom, seemed wasted till the echoes of his pathetic appeal were caught up by the *Globe* and spread far and wide throughout the land. The hon. gentleman, however, has now appeared in the part of Award-breaker. He seems to have forgotten the pure doctrines of international morality that he, with the assistance of his hon. friends from Bothwell and Lambton, had applied to the Ontario Boundary Award.

When he applied those doctrines, no doubt the motion of the hon. member for Algoma made him feel sick: the possibility of losing 120,000 square miles of territory awarded to Ontario, that Judge Armour and Judge Ramsay, counsel employed by the late Dominion Government, testified recently that Ontario was not entitled to, was indeed a heavy prospective blow to Ontarian supremacy. That may partially account for the high moral stand taken by the hon. member for West Durham on the Ontario Boundary Award—an Award that, by his own admission, required a Statute to make it valid and binding. Now, however, when the Government proposes to keep faith with British Columbia, to abide by the Carnarvon Award, to vote \$1,000,000 for Railway construction, the hon. member for West Durham comes forward to break, to repudiate the Carnarvon Award that the late Government accepted as a settlement, and told Lord Carnarvon that it was not contrary to any Resolution of Parliament, or Statutory enactment, and consequently held to be valid. He quotes no high and pure principles of international morals and applies them to the Carnarvon Award to account for his change in opinion in a few weeks with respect to International Awards, or to justify his course; but he manifests, by the production of his Resolution to postpone Railway construction, such a remarkable change in his code of interstate morals as can only be explained by himself, and then the public may decide whether his international morality is or is not "false and hollow." The parts taken by the hon. gentleman, respecting the Ontario Boundary Award and the Carnarvon Award, remind me somewhat of another great Reformer referred to in the couplet of Rabelais:

"The Devil was sick, the Devil a saint
would be;
"The Devil was well, the Devil a saint
was he."

Before I conclude this branch of my subject, Sir, I desire to draw still further the attention of this House to the opinions entertained by hon. gentlemen in this House, and outside of it, when the Terms of Union, in 1871, were under discussion in Parliament and before the country; and, also, to the speeches made by the hon. members for Bothwell, West Durham and Lambton,

this Session, respecting the Ontario Boundary Award, and to a comparison of their utterances on that occasion with the course they are now pursuing in endeavoring to repudiate the Carnarvon Award as well as the Railway clause or the Terms of Union. I will first direct attention to the Railway clause of the Terms of Union. It is as follows:—

"The Government of the Dominion undertake to secure the commencement simultaneously, within two years from the date of Union, of the construction of a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected east of the Rocky Mountains towards the Pacific to connect the seaboard of British Columbia with the Railway system of Canada, and further to secure the completion of such Railway within ten years from the date of Union."

The first interpretation of that document, I find, is given by Lord Langar, on February 1st, 1871, when he said:

"The Terms of Union are in the nature of a Treaty."

I will give you the opinion of another Governor, Hon. Mr. Letellier, who in a speech in the Senate, on the British Columbia question, said:

"The Resolutions respecting the Union of all British America were first brought up in the Legislative Council of Canada by the late Sir Etienne Taché, and I cannot understand why there should be any difficulty now in discussing a question of the same nature though of far less magnitude. Those Resolutions were a sort of treaty between the Provinces; the Resolutions in question will also be a quasi-treaty between Canada and British Columbia."

These were the opinions of two distinguished public men; and both unite in holding that the Terms of Union were in the nature of a Treaty. But it remained for two other distinguished lights of Parliament to explain the binding force of that Treaty: they were the hon. member for West Durham (Mr. Blake) and the hon. member for Westmoreland (Sir A. J. Smith). I find that the hon. member for West Durham on that occasion used this language:

"Were not hon. members justified then in asking for further information before taking this irrevocable step. If this measure should become law, the faith of the Dominion would be pledged, and without the consent of British Columbia could never break one jot or tittle of these cast-iron obligations."

Now, notwithstanding the fact, that the

hon. member for West Durham made this statement on the floor of this House, in 1871, that hon. gentleman produced a Resolution here to-day, asking for the postponement of the construction of the Yale-Kamloops Section of the Railway in the Province of British Columbia. He stated, in 1871, that the Terms of Union could not be broken "without the consent of British Columbia;" and yet without her consent he attempts to break them, to repudiate the Railway clause by refusing to sanction the vote asked by the Government. The next great authority on this matter is the hon. member for Westmoreland. That hon. gentleman is reported to have said, in 1871:

"The faith of the country was pledged by the Resolution to complete the Railway within ten years no matter if the result should be ruin. No verbal reservations could have effect; the written record alone could hold, and the words of the Resolution were clear, and if in two years the Railway was not commenced British Columbia could appeal to the Imperial Government."

The understanding of the hon. member for Westmoreland was then, that this Treaty was a binding obligation on this Dominion; yet strange as it must now appear, the hon. member for Westmoreland was the gentleman who seconded to-day the Resolution of the hon. member for West Durham repudiating it. We have in these extracts the opinions given, nine years ago, by the hon. members for West Durham and Westmoreland as to the binding force of the Treaty of Union; and we have the unexampled spectacle, to-day—after seven years continuous violation of the Terms of Union, including five years' administration of the Government they supported, and of which they had been members—of the self-same hon. gentlemen shamelessly moving and seconding a resolution to continue to violate that solemn and binding obligation. I wish now to draw the attention of the House to the utterances of the hon. member for Bothwell, on the question of the Ontario Boundary Award raised by my hon. friend from Algoma, this Session, and apply the principles he has expressed to the course the hon. gentleman and other members of the Opposition are now pursuing in respect to the Carnarvon Award. He said, on page 64 of the *Hansard*, this year:

"I am opposed to the Committee for which

the hon. gentleman asks in his motion. I think, Sir, that the Parliament of Canada, or at all events, the Government of Canada, are in honour and in good faith bound by the Award of the Arbitrators appointed to decide this question of boundary."

Now, Sir, I maintain that, if the language used here is correct, as regards the Ontario Boundary Award, it is still more correct in regard to an obligation, in regard to the Terms of Union for which we have the sanction of an Imperial Statute, and the sanction of the Parliament of this country; and that if "the Government of Canada are in honour and good faith" bound by the Boundary Award, it is undoubtedly more closely bound by the Carnarvon Award which it had accepted. He further says, on page 66 of *Hansard*:

"For this House to grant a Committee of Enquiry, for the purpose of attacking the Award of the Arbitrators in this matter, instead of confirming it, would be acting just as our southern neighbours would have done, had they refused to abide by the Halifax Award. It would be just as flagrant a breach of good faith as if Great Britain had refused to pay the money awarded by the Geneva Arbitration. The Government of Canada is continuous. Its obligations are not ended by a change of Ministry, and Ministers are solemnly bound by any action of a previous Government.

"Would it be proper for Mr. Hayes, at Washington, to ignore the Halifax Commission as an obligation undertaken by his predecessor, Mr. Grant? Would that be a right and proper mode of proceeding? And yet that might as well be done as to repudiate the Award of these Arbitrators.

"The gentlemen composing the Board of Arbitrators had a full opportunity of considering the case, and they gave it their fullest consideration."

Allow me to tell hon. gentleman opposite that we have, in these utterances of the hon. member for Bothwell, a statement of principles to the effect when applied, that we would be guilty of a breach of International Law by not carrying out the Treaty of 1871 with British Columbia, and the Carnarvon Award made and accepted by the Government of which he was a member. Notwithstanding this, we have had an ex-Minister of Justice placing before this House a Repudiation Resolution. The hon. member for Bothwell complained that the appointment of the Boundary Committee was to break the Award, when no such object was ever expressed, so far as I know. But the vote before the House, that is

intended to fulfil the conditions of the Carnarvon Award, in some small measure, he and his hon. friends opposite unitedly propose to reject. They want the Ontario Boundary Award to be recognised, whilst they repudiate the Carnarvon Award. The hon. gentleman says it would have been "a flagrant breach of faith" if Great Britain had not paid the Geneva Award. Then why is it not "a flagrant breach of faith" not to pay the Carnarvon Award? The principle is the same. He says: "The Ministers are solemnly bound by any action of a previous Government." Then why did the Government of which he was a member not carry out the Railway clause of the Terms of Union, if the obligations of a Government are not ended by a change of Ministry? If the obligations of a previous Government are not ended by a change of Ministry, why is the hon. member for West Durham, and the entire Opposition, trying to prevent the present Government from carrying out the Carnarvon Award that was made and accepted by the Government of their predecessors, of which the hon. member from Bothwell was a leading member? He says, that the Ontario Boundary Arbitrators gave the question their fullest consideration. So did the late Government the Carnarvon Award. Yet the hon. gentleman and his friends propose to reject that Award, if possible. Mr. Mills adds:

"To sanction the appointment of this Committee to seek to set aside the Award of these gentlemen, would be as great a wrong, as gross a breach of faith, as if one Administration of this country were to repudiate the public debt incurred by another Administration, or do anything which, in the public estimation, it is derogatory for a Government to do.

"I think this House ought not to grant this Committee; such a Committee cannot, without dishonour and bad faith, be appointed."

Now, what has been the whole course of the hon. member for West Durham? It has been, ever since 1873, an attempt to relax and repudiate the original Terms of Union. It is now to defeat, if possible, the attempt of this Government to fulfil the conditions of the Carnarvon Award. If it would be "a great wrong," "a gross breach of faith," to repudiate the act of a former Government, what is the motion of the hon. member for West Durham to

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stop Railway construction in British Columbia, but an attempt to commit "a great wrong" and "a gross breach of faith." If the appointment of a Committee to enquire into a matter of which nearly the entire House is ignorant, cannot be made "without dishonour and bad faith," how can hon. gentlemen opposite free themselves from the charge of "dishonour and bad faith," when they attempt to repudiate the conditions of the Carnarvon Award, of which no hon. member is ignorant? Mr. Mills goes beyond this, and says:

"If the Government think that the Arbitrators were bribed, or that they were wholly incompetent men, then they ought to assume the responsibility of opening up the question, only with the consent of the other party,—and by obtaining information through the proper channels, instead of appointing a Committee—a course which can lead to nothing but delay in the confirmation of the Award."

I am willing to concede the right of asking for a relaxation of the Terms of Union. The mission of Mr. Edgar for that purpose, however, as is well known, failed. What attempt has been made to get the consent of British Columbia to the Resolution of the hon. member for West Durham? None. But hon. gentlemen opposite do not propose to ask any relaxation. They will not even recognise the relaxation of the Carnarvon Award, that extended the time from 1881 to 1890 to complete the Railway from the Pacific Ocean to Lake Superior only. They propose to repudiate all railway obligations to British Columbia. That Province surrendered certain rights and revenues to the custody of the Dominion, and has fulfilled all her obligations, and expects the Dominion to perform her obligations. But hon. gentlemen opposite want to hold the surrendered rights and revenues, and repudiate the obligations they incurred. It is quite natural then for us to state that we have not, as a Province, violated our obligations; and it is also quite natural that we should exact from the Government a fulfilment of theirs; and if they are unprepared to fulfil their obligations, let them aid the Province in separating from the Union. The whole of British North America is not yet consolidated. There is an outlying Province, Newfoundland, that is

not within the Confederation; and how can we expect the Province of Newfoundland to enter a Dominion that has violated its solemn pledges over and over again. The bad faith of hon. gentlemen opposite tends to destroy all hope of the complete consolidation of British America. I will next take the utterances respecting the Boundary Award of the hon. gentleman who proposed the repudiation Resolution to-day. On page 72 of *Hansard*, this year, that hon. gentleman stated:

"A very great responsibility is assumed by that country, whatever its rank in the scale of nations, which declares it will not be bound by the results of a solemn convention."

"I esteem this in the same light as a convention between two different countries; for, as between Canada and Ontario, they are separate and distinct in this matter."

Now, Sir, if a very grave responsibility is assumed by a country that declares that it will not be bound by a solemn Convention, is there not a very grave responsibility assumed by the hon. member for West Durham, when he declares by his Resolution that Railway construction in British Columbia ought to be postponed? And if he could carry his Resolution, would he not force Canada to assume a very grave responsibility by declaring that she would not carry out the Carnarvon Award? He says that the relationship of Canada to Ontario is that of two different countries, so far as respects the Boundary Award. If that be true, Canada and Columbia are two different countries so far as the Terms of Union and the Carnarvon Award are concerned. And yet the hon. gentleman shows no hesitation in attempting to break that solemn Convention. If his position be correct respecting the Boundary Award, the stand that he has taken to-day in moving a Repudiation Resolution is totally indefensible, as it is calculated to cover this country with the infamy of attempting to break faith with one of the Provinces of this Confederation. Referring to the power of an Act of Parliament, to decide questions of boundary, Mr. Blake continued:

"But while that power exists, the question of international morality subjects also, and what we have to consider is whether a case is here made out clearly sufficient to justify the

procedure suggested to-day, based as that procedure is on a disregard of the Award as a cogent instrument.

"Now the first proposition I shall advance is that, as the hon. member for Bothwell (Mr. Mills) well observed, there is a continuity in government.

"I say this question rests, with respect to the Government of the day, just in the same position as if the Government of the day had been responsible for the original commission. No hon. gentleman opposite can say that the present Government, or any of its supporters, are any the less bound than was the Government of my hon. friend from Lambton in reference to the issue of this commission and its consequences."

These are the utterances of the hon. gentleman who declared to-day, that he would not be bound by those solemn obligations to British Columbia. It will be observed that the hon. member for West Durham, in opposing the motion of the hon. gentleman for Algoma for a Committee to enquire into all matters respecting the Boundary of Ontario, said that there was "a question of international morality" to be considered. But, Sir, he has not questioned "international morality" in connection with his present motion. He assumes that the mere granting a Committee to enquire into matters connected with the Ontario Boundary raises "a question of international morality," but he boldly undertakes to break faith with British Columbia, without ever touching on the moral aspect of the question. I take it, Sir, to be the duty of every hon. gentleman in this House to do all in his power to cause the Provinces to love each other, assist each other, and work together for the common good of our common country. But the course of the hon. gentleman is the very reverse. It is to induce the Provinces to hate each other. He says that the present Government is no less bound than the Government of the hon. member for Lambton for the issue of the Boundary Commission and its consequences. On the same principle the present Government is bound by the Carnarvon Award and its consequences; and yet the hon. gentleman repudiates the latter, and upholds the former. It is lamentable to see a public man occupying the position of the hon. gentleman reduced to so pitiable a condition. He also stated:

"My second proposition is that if it be proposed not to ratify the Award, but to open the

question again, and throw that instrument aside, such a proposal as that should be made upon the responsibility of the Government of the day, and with all the gravity which such a course of action demands."

Now, Sir, if this doctrine be true, the hon. gentleman, instead of moving a Repudiation Resolution, ought to have urged the Government to re-open the question of the construction of the Pacific Railway with British Columbia, and ought to have moved, "with all the gravity such a course of action demands." But the course adopted by the hon. gentleman is not statesmanlike; it is simply that of a man who has no regard for the undoubted rights of others. Why did not the hon. gentleman, when he was in the Government, endeavour to secure such modifications of the Carnarvon Award as would have satisfied both parties to the Award? All he did was to offer \$750,000 as compensation for all future delays that might take place respecting the construction of the Railway in British Columbia. That was very properly rejected; and there the hon. gentleman left the subject, till he came forward to repudiate entirely the work of construction. If any one, after this, can see anything statesmanlike, any capacity, in the hon. gentleman to keep the Provinces of this Confederacy together, they have better discernment than I possess. The hon. gentleman stated further:

"What a novel and entirely indefensible proposal it is, that a private member should take charge of this great material and moral question—moral as to whether a national award should be set aside, and material as to the extensive territory involved.

"It is the bounden duty of the Government itself, if disposed, to take steps, which in its opinion, the interest of the country requires—steps tending to the disturbance and upsetting of this Award,—so to state, frankly, itself, to propose those steps on its own responsibility, and justify its course."

The hon. member for West Durham here holds that it is a novel and entirely indefensible proposal that a private member should take charge of the great material and moral question of the Boundary Award; and yet, Sir, he, as a private member, comes forward to nullify the Carnarvon Award. To call such a course inconsistency would be to apply a mild term, for what in plain Saxon must be designated as a deliberate attempt to

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commit a breach of public faith. [Mr. DeCosmos here by arrangement moved the adjournment of the debate.] On its resumption on Monday, Mr. DeCosmos gave a brief summary of the previous part of his speech, and concluded by saying: I do not believe it is desirable to do so at any length, as I shall take occasion, I hope, in another way to bring all the facts and conclusions that I then presented to this House, before the members of this Parliament and the country.

We come, again, Sir, to the hon. member for West Durham (Mr. Blake), he who sets himself up more than anybody in this House, or in this Dominion, as the pink of morality, as the pink of all that is great, as an example to the people of this country. The hon. gentleman said on the occasion of the Ontario Boundary debate:

"But my main proposition is, that the responsibility properly devolves on the Government of dealing with the question which, as a resident of and member from the Province of Ontario, I do not hesitate to declare I regard as infinitely more important in its moral than in its material aspect."

Sir, the man who could regard the Ontario Boundary Award as infinitely more important in its moral than in its material aspects, comes to this House and repudiates not only the Carnarvon Award but the Statute. The hon. the leader of the Opposition stated, through Lord Dufferin, that the Award was accepted—that it was not contrary to any Resolution of Parliament or any Statute, and that the Terms of the Award would be fulfilled; but we find his hon. colleague prepared to vote for the violation of that solemn compact. On the same occasion to which I have referred, the hon. member for Lambton said:

"I have no objection whatever to the hon. gentleman using his power in this House to set aside the legislation of the last Government if he thinks it wrong; but I fear if he were living in another country, he would find some difficulty in setting aside solemn treaties that have been entered upon; such as the Treaty for the settlement of the San Juan question."

"If the decision on that occasion of the Emperor William were to be set aside, it would be as justifiable from an international point of view as setting aside of the Award in the present case."

"The hon. gentleman would have no more right to set aside the Award than he would have to set aside the Treaty of Washington."

These are the hon. gentleman's views who proposes to vote now with the hon. member for West Durham. He said in 1874 that the Carnarvon Award should not be broken, but he now wishes to repudiate the obligations made by himself with British Columbia. As it is not my intention to occupy the House long, I will quote from an authority which the other side of the House regard with reverence. On February 20th, the *Globe* said this:

"It is bad enough for a Premier who has not the moral courage to oppose something he does not want carried out, to shirk his responsibility and take shelter behind a Parliamentary Committee, but it is infinitely worse for him to be the means of making one of the parties to a solemn arbitration break faith with the other after an Award has been made. It is vain to say that the Dominion Government is not bound by the decision of the Arbitrators. If one Administration is not under obligation to carry out the engagements of its predecessor, what is the good faith of the country worth? As Mr. Blake put it in his speech, the moral considerations are in this instance far more important than the material interests at stake, though these are so considerable that we venture to predict a long and obstinate struggle before Ontario surrenders her present vantage ground."

Here we have the *Globe* and three great lights of the Opposition, the hon. members for West Durham, Bothwell and Lambton, denouncing anything like breaking up of the Boundary Award and yet each of them is now prepared to vote against the Government of Canada attempting to keep faith with the Province of British Columbia, in the fulfilment of the Carnarvon Award. I have another extract to read, which I hope hon. gentlemen opposite will listen to. This is also from the *Globe*, of February 23rd:

"What is thought of a private man who refuses to accept the award of impartial arbitrators on his case? What was thought by the whole world of the United States journals that invited their Government to disregard the decision of the Halifax Commission? The more objections of Secretary Evarts were held by the nations to have disgraced our neighbours in some degree. What if the Government had refused to pay the \$5,000,000, and had constituted a Committee of Congress to take the evidence over again and decide what should be done? What if the Cabinet of Mr. Hayes had refused to ratify the Award because the Halifax Commission had been determined on by their predecessors in office? But it may be said that an arbitration between independent nations is quite different from one between a federation and one of its parts, inasmuch as war might be the result of bad faith in the former

case. We hold that a disregard of obligation is rendered more disgraceful by the plea that it can be indulged in with safety. The stability of the Confederation depends on the general confidence of the Provinces in the central Government, and hereafter it will be impossible to respect the Administration at Ottawa while conducted by the leaders of the Tory party."

If the *Globe's* assertions be correct, that "a disregard of obligation is rendered more disgraceful by the plea that it can be indulged in with safety," then we must assume that the proposal of the hon. member for West Durham and his friends, to disregard the Carnarvon Award, is "disgraceful" indeed. I now come to the denunciations of a number of the members for Ontario in that journal, of which the following is a specimen:—

"The names of the Ontario members who voted for the national dishonour and feared to stand up for the just Award to their Province, are worthy of record. Let the electors of Ontario note the following list of men, who have at once been traitors to Canada and to their own constituents:—

J. B. ROBINSON.	JOHN MCLENNAN.
R. HAY.	ORO. JACKSON.
S. PLATT.	T. S. SPROULE.
JOHN MURPHY.	WM. McDUGALL.
B. J. LAWSON.	F. E. KILBERT.
WM. FITZSIMMONS.	THOM. ROBERTSON.
ALEX. SHAW.	JOHN WHITE.
THOMAS WHITE.	MACKENZIE BOWELL.
JOHN ROCHETER.	T. FARROW.
DARRY BERGIN.	R. STEPHENSON.
J. B. ROSS.	J. G. HARGART.
A. T. H. WILLIAMS.	C. F. FERGUSON.
THOMAS ARKELL.	ED. HOOPER.
J. A. KIRKPATRICK.	J. C. RYKERT.
D. MACMILLAN.	T. COUGHLIN.
J. B. FLUMB.	W. WALLACE.
JOB. KAELEK.	J. M. CURRIER.
B. R. HESSON.	J. TASSE.
G. HILLIARD.	J. BURNHAM.
F. ROUTHIER.	J. S. MCQUAIG.
PETER WHITE.	DALTON MCCARTHY.
W. C. LITTLE.	O. FULTON.
A. MCQUADE.	HECTOR CAMERON.
B. KRANE.	S. MERNER.
G. A. DREW.	A. BOUTREE.

SIR JOHN. A. MACDONALD.

This is what we find the hon. gentlemen opposite to have said and done through their organ the *Globe*. The very reverse they propose to do with respect to British Columbia, the only Province in the Dominion which has paid a larger sum into the Treasury than of right she should have paid. If Ontario members voted for the "national dishonour" when they simply voted for a Committee

to enquire into all matters connected with the Ontario Boundary, and if they were "traitors to Canada and their own constituents," will not hon. gentlemen opposite vote "for the national dishonour," and prove "traitors to Canada and their constituents," when they vote for the amendment of the hon. member for West Durham to break the Carnarvon Award? But I will now read some passages from a writer on International Law, for the benefit of the member for West Durham, who presents himself here in the character of an international law-breaker, whose moral instincts are so readily touched when anything concerns Ontario, but who is deaf and insensible when British Columbia is concerned, and when she asks for justice. I will read some passages from Vattel, a standard authority on International Law, as Blackstone is on Common Law, and Adam Smith on Political Economy:

"It is a settled point in natural law, that he who has made a promise to any one has conferred upon him a real right to require the thing promised,—and, consequently, that the breach of a perfect promise is a violation of another person's right, and as evidently an act of injustice as it would be to rob a man of his property. The tranquility, the happiness, the security of the human race, wholly depend on justice,—on the obligation of paying a regard to the rights of others. The respect which others pay to our rights of domain and property constitutes the security of our actual possessions, the faith of promises is our security for things that cannot be delivered or executed upon the spot. There would no longer be any security, no longer any commerce between mankind, if they did not think themselves obliged to keep faith with each other, and to perform their promises. This obligation is, then, as necessary as it is natural and indubitable, between nations that live together in a state of nature, and acknowledge no superior upon earth, to maintain order and peace in their society. Nations, therefore, and their conductors, ought inviolably to observe their promises and their treaties. This great truth, though too often neglected in practice, is generally acknowledged by all nations; the reproach of perfidy is cast on him by sovereigns as most atrocious affront; yet he who does not observe a treaty is certainly perfidious, since he violates his faith. On the contrary, nothing adds so great a glory to a prince, and to the nation he governs, as the reputation of an inviolable fidelity in the performance of promises. By such honourable conduct, as much and even more than by her valour, the Swiss nation has rendered herself respectable throughout Europe, and is deservedly courted by the greatest monarchs who entrust their personal safety to a body-guard of her citizens. The Parliament of England has more than once thanked the king

for his fidelity and zeal in succouring the allies of his crown. This national magnanimity is the source of immortal glory; it presents a firm basis on which nations may build their confidence, and thus it becomes an unfailing source of power and splendour.

"As the engagements of a Treaty imposed on the one hand a perfect obligation, they produce on the other a perfect right. The breach of a Treaty is therefore a violation of the perfect right of the party with whom we have contracted; and this is an act of injustice against him."

It remains, then, for history to state, that the member for West Durham bargained with his colleagues and the leader of his Government to violate the Treaty and compact with British Columbia—the bargain between her, Canada and England, which every honorable Province and honourable man would say was a binding obligation—and that he would only enter the Ministry on condition it should be broken; and yet we had, this Session, the statement of the hon. member for Bothwell (Mr. Mills), that no Treaty can be broken except with the consent of both parties to it. I will read this passage on the subject:

"Who can doubt that Treaties are in the number of those things that are to be held sacred by nations? By treaties the most important affairs are determined; by them the pretensions of sovereigns are regulated; on them nations are to depend for the acknowledgment of their rights, and the security of their dearest interests. Between bodies politic,—between sovereigns who acknowledge no superior on earth, treaties are the only means of adjusting their various pretensions,—of establishing fixed rules of conduct,—of ascertaining what they are entitled to expect, and what they have to depend on. But treaties are no better than empty words, if nations do not consider them as respectable engagements,—as rules which are to be inviolably observed by sovereigns, and held sacred throughout the whole earth."

"The faith of treaties, that firm and sincere resolution, that invariable constancy in fulfilling our engagements,—of which we make profession in a treaty, is therefore to be held sacred and inviolable between the nations of the earth, whose safety and repose is secured; and if mankind be not wilfully deficient in their duty to themselves, infamy must ever be the portion of him who violates his faith."

"He who violates his treaties, violates at the same time the law of nations; for, he disreputes the faith of treaties,—that faith which the law of nations declare sacred; and, so far as depends on him, he renders it vain and ineffectual. Doubly guilty, he does an injury to his ally, he does an injury to all nations, and inflicts a wound on the great society of mankind. "On the observance and execution of treaties," said a respectable sovereign, "depends all the security which princes and

states have with respect to each other; and no dependence could henceforth be placed in future conventions if the existing ones were not to be observed."

"As all nations are interested in maintaining the faith of treaties, and causing it to be everywhere considered as sacred and inviolable, so likewise they are justifiable in forming a confederacy for the purpose of repressing him who testifies a disregard for it—who openly sports with it—who violates and tramples it under foot. Such a man is a public enemy who saps the foundations of the peace and common safety of nations. But we should be careful not to extend this maxim to the prejudice of that liberty and independence to which every nation has a claim. When a sovereign breaks his treaties, or refuses to fulfil them, this does not immediately imply that he considers them as empty names, and that he disregards the faith of treaties; he may have good reasons for thinking himself liberated from his engagements; and other sovereigns have not a right to judge him. It is the sovereign who violates his engagements on pretences that are evidently frivolous, or who does not even think it worth his while to allege any pretence whatever, to give a colourable gloss to his conduct, and cast a veil over his want of faith—it is such a sovereign who deserves to be treated as an enemy to the human race."

The hon. member for West Durham proposes delay, and every hon. member can perceive that his conclusions are at variance with his statements and promises. But he is the man of subterfuges and flimsy reasons, in order that the Treaty with British Columbia may not be carried out. Vattel, page 234, speaking of subterfuges, says:

"His Catholic Majesty, Ferdinand, having concluded a treaty with the Archduke, his son-in-law, thought he could evade it by privately protesting against the treaty; a puerile finesse which without giving any right to that prince, only exposed his weakness and duplicity."

Now, what applies to Ferdinand will apply to hon. gentlemen opposite. This resolution has only again exposed their weakness and their duplicity. I quote again from Vattel on Treaties, page 40, and I ask the House to observe its applicability to the course of the hon. member for West Durham. As is well known, the hon. gentleman has ever been in favour of delays in connection with the fulfilment of Canada's obligations to British Columbia. Now, what does this great writer on International Law say about delays? He says:

"Studied delays are equivalent to an express denial, and differ from it only by the artifice with which he who practices them seeks to palliate his want of faith; he adds fraud to

perfidy and actually violates the article which he should fulfil."

Sir, I am astonished that hon. gentlemen on the other side of the House can support so perfidious a resolution as that of the hon. member for West Durham. I am astonished that the hon. gentleman himself should wish to cover his country with such infamy, as must cover every state that breaks its treaties. If war be the sum of villainies, the breaking of treaties must be the sum of infamies. My hon. friend, the hon. the Minister of Public Works, stated the other night that the Union of the four Provinces was based upon the construction of a Railway connecting the Eastern with the Western Provinces. Without the Intercolonial Railway there could have been and would have been no real Union. Now, suppose that after that Union had been proclaimed, after the Federal Government had been organized, and the several Provinces had begun to pay their money into the Federal Treasury, that the Dominion had agreed to construct that road, would not every man from those Eastern Provinces have denounced the Federal Government for its perfidy? But, when such a course is actually proposed to be pursued towards British Columbia, many hon. gentlemen seem not to understand that equal perfidy is involved in the proposition to break faith with British Columbia. Now, we will take the Carnarvon Award. The leader of the Opposition, while head of the late Government, and Lord Dufferin, concurred in accepting the Award, and thanking Lord Carnarvon for what he had done. And they added this: We accept this for a present settlement, as it is not at variance with any Statute. We accept it because it is not at variance with any Resolution of Parliament. What duplicity on the part of hon. gentlemen opposite, who deliberately, down to the present hour, are still prepared to implement that Award by supporting a proposition to ignore it. The hon. the Minister of Railways has brought under the notice of hon. gentlemen opposite, that the late Premier did not propose to build the Emory-Savona section of the Pacific Railway, although he put this country to an expense of thousands of dollars in moving rails. What greater infamy can we conceive of if this charge be true? When knowingly and

deliberately using the public money of Canada for a mere partisan purpose, he wasted \$32,000 to make the people of British Columbia believe that the Government intended to build the road, whilst in fact they did not intend to do so.

SIR CHARLES TUPPER: I made a mistake in the amount; it was over \$34,000.

MR. DECOSMOS: I thank the hon. gentleman for his correction. I think it will also be found that the late Government, in order to provide themselves with a means of escape, did not pass any Order in Council calling for tenders. I believe the call for tenders was put into the papers, and no Order in Council, authorizing the call, was ever passed. In 1871 the Government of Canada, with a full sense of their obligations, made a Treaty with British Columbia. The obligations of that Treaty put a first lien upon this Dominion after the charges upon the public debt and the ordinary and current expenditure for government. Under that Treaty the Railway was to be commenced simultaneously on the Pacific coast and at some point east of the Rocky Mountains. Fifteen million dollars have already been expended by the late Government in the work of construction, and not a single dollar has been spent in British Columbia in the work of construction. Is it not right that Parliament now, at the end of seven years, from the time fixed for its commencement, should fulfil, in a small measure, the obligations assumed in 1871? Again, about \$15,000,000 has been expended on the canal system since 1873. We find the system of canals between Lake Huron and Montreal have cost over \$15,000,000, and the interest that is being paid, at the rate of 5 per cent., amounts to \$750,000 more per annum. If this Government had wished to have kept faith with the people of British Columbia, it would not have entered so readily into the enlargement of canals, because the obligations to British Columbia was a prior lien on this Dominion.

MR. MACKENZIE: No.

MR. DECOSMOS: More than that! We find that they have relieved the Provinces of Ontario and Quebec of some \$600,000 or \$700,000 a year interest, or nearly \$11,000,000 in capital. Making a total expenditure of principal and interest of about \$50,000,000 in nine years, contrary to the spirit and letter of the con-

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fact with British Columbia. I take it that anyone to whom this matter may be referred will see that the first duty of the Dominion was to fulfill its obligation with British Columbia, but we hear nothing of that in the utterances of hon. gentlemen opposite. I desire now to allude to the address of my hon. friend, the hon. member for Yale, when the reply to the Speech from the Throne was before the House. The hon. gentleman stated that I took ground in my speech on that occasion against the route of the railway selected by the Government. The very contrary: I expressed myself as follows on this point: "I am glad that the Government has at last decided upon a route on the West coast." He, also, stated that I represented the people as being dissatisfied with the route selected. Now, I made no such statement,—as will be seen on reference to the *Hansard*. He questioned my remarks with relation to "the fertile district of Kamloops," referred to in the Speech. Now with the object of placing myself right on that subject, and correcting the error into which the hon. member has fallen, I have prepared some statistics on Kamloops district and the neighbouring districts, which I will ask the House to allow me to place among other reports of my utterances on this occasion. These statistics will show the extent approximately of Kamloops and contiguous districts, from which the section of railway, now under contract, will get its business. The total area in square miles and acreage in Yale Commons district, exclusive of Kootenay, is:

	Square miles.	Acre.
Yale and Hope districts	3,300	2,112,000
Lytton do	2,200	1,518,000
Cache Creek do	1,200	768,000
Kamloops do	4,500	2,880,000
Nicola do	3,600	2,304,000
Okanagan do	2,700	1,728,000
Rock Creek do	2,325	1,488,000

19,825 12,798,000

Containing in 1879 the following polling districts, voters and farmers:—

	Voters	Farm's
Yale and Hope polling district	67	13
Lytton distr ct	51	23
Cache Creek	56	26
Kamloops	126	58
Nicola	67	54
Okanagan	70	63
Rock Creek	15	2

452 239

In all the sub-districts, giving the 239

farmers 320 acres each, the total acreage of the farms would be 66,480 acres; while in the ten settlements in the Kamloops district the 58 farmers at 320 acres each, the total acreage would be only 18,560 acres. North of Yale district is Lilloet district (a sub-district of Cariboo Commons district), the total area of which is 18,000 square miles, or a total acreage of 11,520,000 acres. The total acreage in occupation is: 83 farmers, at 320 acres each, 26,000 acres, the total voters being 108. In 1874 the list of voters stood:

	Total Far- Stock	Voters mera.	raisers.
Yale and Hope	54	23	Nil.
Lytton	30	10	"
Nicola	43	40	"
Okanagan	58	6	"
Kamloops	87	36	6
Cache Creek	37	17	Nil.

The total lands taken up in 1878 in Kamloops was 8,160 acres, in quantities from 36 to 640 acres. The following statement will show the increase of farmers in the above districts during the period between 1874 and 1878:—

	1874	1878	Increase.
Hope and Yale farmers	12	13	1
Lytton	10	23	13
Cache Creek	17	26	9
Kamloops	36	50	14
Okanagan	9	61	52
Nicola	40	54	14

The following is a summary of the Yale and Lilloet districts:—

Yale, total square miles	19,825
Lilloet, " "	18,000

Total	37,825
Yale, total acres	12,798,000
Lilloet, " "	11,520,000

Total acreage	24,318,000
Total voters, Yale	452
" " Lilloet	108

Total voters	550
Total farmers, Yale	239
" " Lilloet	83

Total farmers	322
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I will not on this occasion enter upon an estimate of the amount of business that the railway may transact with these districts—as way traffic. I will say this, that with respect to the railway that is proposed to be built by the Government that whilst I do not believe that the Fraser is the best route for our trans-continental railway, yet at the same time I am wholly indisposed to be factious. The

Government have arrived at a decision, and I am prepared to support the Government in their decision to build that section of the road. I believe, however, that the Pine Pass route will yet prove to be the great through route. I believe that after this section is built it will enable the whole of British Columbia to be opened up by connecting the Pine Pass route through British Columbia with the Yale-Kamloops section, via Fort George, Quesnelle, Clinton and Cache Creek. To benefit the Western Province, the railway ought to start at Cache Creek, and go on to Fort George; that would be the means of opening up the entire interior of the Province of Columbia. My hon. friend from Yale, also stated, on the occasion to which I have previously alluded, that there were not twelve persons in my constituency who were opposed to the Frazer route. Allow me to state, that that was an incorrect statement. He also stated that, in an eloquent speech, I spoke in favour of that section. At that time we had no terms of Union with Canada. We were not even within the Confederation, and the question of a railway across the continent, was an unsettled one. The question was put to our Legislative Council of which I was a member, and of which my hon. friend was a member at that time. The statement was made that we might get a trans-continental railway, if Canada accepted our terms. I said then that if we were going to have a railway, it would be better to put in a positive provision, that it shall be constructed between Yale and Savona's Ferry. I believe that this route will be valuable to this country, and I believe that the territory south of Kamloops, which is nearly five times as large as the Province of Prince Edward Island, and that in the districts to the north and south of Kamloops some very fine country, can be opened up. As far as Kamloops is concerned, I do not believe very much traffic can be obtained. My hon. friend opposite does not want anything to be built in the way of a railway in British Columbia, until the settler has reached the Rocky Mountain Range. I think the hon. gentleman is labouring under a very great mistake indeed. He has to know that there is only one great commercial mart on the Pacific coast, and that that great commercial mart is San Francisco; that it has formed commercial relations with every people, on

the west coast of America, the east coast of Asia, the Indian Archipelago, down through Australia and New Zealand. Now, I take it, if we wish as a Canadian people, if we wish to establish a foreign policy, if we wish to find a market for our surplus products, we ought to have railway communication with the shores of the Pacific, in order that we might distribute our surplus goods among the markets of the Pacific Ocean. The hon. member for West Durham wants delay. That is a great mistake; for the sooner we are enabled to move our manufactures across the continent, and enter into commercial rivalry around the shores of the Pacific Ocean with our neighbour to the south, the sooner we will be enabled to occupy a similar commanding commercial position to the provinces on the Atlantic. Allow me to call the attention of the House to the trade of the port of San Francisco. The total imports of merchandise during 1879, in San Francisco, amounted to \$34,124,417. The total exports, \$36,564,328. I find that the domestic exports from the State of California, amounted to \$29,000,000. Now the total value of the imports of Canada in 1878-79 was \$81,964,427; and total value of exports, \$71,491,255. By comparison, it will be seen, that San Francisco, a city only thirty years old, imports and exports nearly half as much, exclusive of coin and bullion, as the Dominion of Canada. Now there is no good reason why this state of things should exist, if we are true to ourselves, and develop by railway the Great West. A few years ago, I employed an engineer to make a measurement of our territory from the 110th meridian west, to the eastern boundary of British Columbia and between the 49th and 60th parallels of north latitude. The result showed that there are 257,000 square miles of territory east of the Provincial boundary that must find its market through a port in British Columbia. That added to the 330,000 square miles of British Columbia gives us a territory of 587,000 square miles, which must also find its chief markets on the coast of the Pacific. The United States west of the 110th meridian and between the Canadian boundary and the Republic of Mexico, have 800,000 square miles of territory, and we have just as good a country as they have. The agricultural products of

Canada sent from the Atlantic side to England in 1878-79 were worth about twenty millions of dollars. Now, the exports of wheat alone, from the port of San Francisco, last year were \$16,788,772. I maintain that if we had a railway running from the cereal region east of the Rocky Mountains to within a short distance of the Pacific coast, that we would be just as able to ship our wheat to England as the people of San Francisco. We trust also to find a way traffic for this railway. By the settlement of that region east of our boundary, we will get this through traffic, and by that means the railway will assist most materially to build up the country. I shall not go into detail further. I desire now to summarize a few facts from what I have already said upon this subject. We, British Columbia, import and export more than any other Province, *per capita*. We contributed during the last year \$521,443 in Customs alone to the Revenue, whereas, at the same rate per head as we have been paying, Ontario would have contributed more than \$20,000,000. I contended on Friday night that 200 Ontarians paid as much as five Columbians; that five Columbians paid as much as 150 Quebecers; five Columbians paid as much as forty Nova Scotians; that five Columbians paid as much as thirty New Brunswickers; and that five Columbians paid 150 per cent. more than ten Prince Edward Islanders. I showed that British Columbia paid into the Consolidated Fund last year \$275,762 more than she was lawfully bound to pay at the *per capita* rate of the Dominion. I showed that during the eight years, from 1871 to 1879, she paid in a total, in Customs and Excise, of \$3,392,152. But let us leave out of consideration the comparison with the Provinces separately, and come down to the average for the Dominion. Our proportion of Customs *per capita* of the Dominion is \$3.50; that is the amount *per capita* which we ought to pay, and, as our population is 50,000 we should by right contribute \$175,000 altogether; but the fact is we paid \$346,343 in addition to the \$175,000 which we should pay by right. Yet we do not grumble. All we want is the Canadian Government to come to the front and carry out their obligations in the best possible way. The 50,000 population is based upon careful calcula-

tions. During the six months preceding my arrival here I gave a great deal of attention to the matter, and I came to the conclusion that, including our Indian population, our white population and the Chinese, and every other nationality the number of our population, in the maximum, is 50,000. Now, it has been stated that \$1,449,956 has been expended on surveys in British Columbia, and as British Columbia has contributed, man for man, the large amount which I have stated more *per capita* than all the rest of the Dominion, it will be seen that over and above all railway expenditure, the Government hold in hand a net balance contributed in the eight years by British Columbia, over the remainder of the Dominion, of \$195,540. I am glad to see the hon. member for West Durham (Mr. Blake) in his seat; because I want to make reference to his statement, at Walkerton, that we had only a population of 2,000.

MR. BLAKE: No, no.

MR. DECOSMOS: The hon. gentleman stated that there were about as great a population in British Columbia as in the audience he was then addressing at Walkerton and that audience was about 2,000 in number. I have it here in the *Globe*.

MR. BLAKE: I neither swear by, nor at the *Globe*; but what I really stated was that the population numbered as many freeholders as the number then present; and I estimated the freeholders as one to five.

MR. DECOSMOS: Oh! freeholders. The hon. member for West Durham is well able to make that look better which looked so much worse. He stated that there were only 2,000 freeholders in British Columbia. I find also that he gives 12,000 paying \$553,362 in Excise and Customs in one year; that would be about \$47 *per capita*. Oh! I wish I were such a statistician as the hon. member for West Durham. I told the House the other night that I would deal with the Vancouver section of the railway at some other time. I know it will be built. I am only dealing with the Yale-Kamloops section; the total cost of which I estimate at \$8,000,000. I have shown that we pay \$340,000 a year more in Customs than the average taxation of the Dominion, and, therefore, we really shall pay all the expenses, in the shape of interest and sinking fund for the building of this railway.

ESQUIMALT-NANAIMO SECTION

— O F —

CANADIAN PACIFIC RAILWAY.

SPEECH DELIVERED IN THE HOUSE OF COMMONS

— B Y —

Hon. Mr. DeCOSMOS, M. P.,

— O N —

WEDNESDAY, 5TH MAY, 1890.

(Re-published from the Official Report of the Debates, Page 2,008.)

MR. DeCOSMOS : I intimated to the House when addressing it upon the subject of the Pacific Railway, that I would take occasion before the close of the Session, to speak with respect to the Esquimalt-Nanaimo section of the Pacific Railway. I propose to do so now, and will be as brief as possible. With regard to this section of the Railway that was agreed to be built under the Carnarvon Terms, I expect the Government during Recess, to prepare a measure for its construction, and submit it for the sanction of Parliament at its next Session. At this advanced period of the Session, it cannot be expected. I have no express authority from the Government for stating that I expect it to prepare and submit a measure for the construction of the Esquimalt-Nanaimo section of the Railway, except its general expression of intention to keep faith with British Columbia, supplemented as that has been by making contracts to construct the Yale-Savona section. The hon. Minister of Railways and Canals, when making his general statement on the Pacific Railway alluded to the obligations assumed by the late Government under the Carnarvon Terms to construct the Esquimalt-Nanaimo section ; and stated that it would cost \$4,000,000. I am satisfied, Sir, that the hon. gentleman has placed the cost too high. The result of my enquiries in various quarters, satisfy

me that it can be completed and set at work for \$2,500,000. I will not trouble the House with details on this subject at this late hour. I will, however, undertake to show how small an outlay of capital and interest will be required to construct the road, which, when completed, will only be sixty-eight miles long. It will be remembered that the hon. the Minister of Finance, as part of his scheme to provide funds to meet the expenditure of the Dominion Government, asked and obtained the sanction of Parliament to a resolution authorizing him to increase the issue of Dominion Notes to \$20,000,000, on condition of always holding for the redemption of such notes " in gold, or in gold and Dominion securities guaranteed by the Government of the United Kingdom, equal to 25 per cent. of the total amount of notes then outstanding, and that at least 15 per cent. of the total amount of such outstanding notes shall be held in gold." Now, Sir, on this financial basis I propose to submit for the consideration of the House and Government certain statements that will show conclusively that the means to construct the Esquimalt-Nanaimo section of the Pacific Railway are within the easy reach of the Government, and that the expenditure will fall so lightly on the country as not to make it necessary to increase appreciably the annual charge for interest on expenditure in British Colum-

bia. I estimate that the total cost of the Esquimalt-Nanaimo section will be \$2,500,000; that it may be completed within four years; and that that sum may include the entire sum for working surveys, construction, and interest. I will not, however, enter into detail on this branch of the subject, but will direct attention to the following statements:—

STATEMENTS of Estimated Expenditure necessary to build and complete Esquimalt-Nanaimo Section of Canadian Pacific Railway, if built between July 1, 1881, and July 1, 1885—four years—and showing the amount of Dominion Notes required to be issued in each year, the Bond Reserve, the Gold Reserve, and the interest on the Gold Reserve till the Esquimalt-Nanaimo Section is completed; also, the annual interest on Total Expenditure after its completion.

Statement of Dominion Notes, Bond Reserve and Gold Reserve.

Year.	Dominion Notes Issued.	Bond Reserve 10 p. c. of Dominion Notes.	Gold Reserve 15 p. c. of Dominion Notes.
1881-2	\$625,000	\$62,500	\$93,750
1882-3	62,000	62,500	93,750
1883-4	62,000	62,500	93,750
1884-5	62,000	62,500	93,750
Totals ...	\$2 500,000	\$250,000	\$375,000

STATEMENT of Interest on Gold Reserve, from July 1, 1881, to July 1, 1885, date of completion of E. and N. Section.

Year.	Gold Reserve.	Rate of Interest.	Time.	Total Interest on Gold Reserved.
1881-2	\$93,750	4 per ct.	4 years.	\$15,000
1882-3	93,750	"	3 "	11,250
1883-4	93,750	"	2 "	7,500
1884-5	93,750	"	1 "	3,750
Totals..	\$375,000			\$37,500

The interest is calculated on the assumption that the Gold Reserve will be held at the commencement of each year, and makes the total interest for four years, \$37,500.

STATEMENT of Gold Reserve held in each year, and the interest paid in each year.

Year.	Gold Reserve held.	Rate of Interest.	Interest paid each year.
1881-2	\$93,750	4 per cent..	\$3,750
1882-3	187,500	"	7,500
1883-4	281,250	"	11,250
1884-5	375,000	"	15,000
Total .....	.....	.....	\$37,500

SUMMARY.

Total Dominion Notes, issued, July 1, 1881 to July 1, 1885.....	\$2,500,000
Total Bond Reserve held.....	250,000
Total Gold Reserve.....	375,000
Total interest on Gold Reserve paid during construction.....	37,500
Total yearly interest on Gold Reserve, \$375,000 at 4 per cent. after completion of E and N section of Canadian Pacific Railway.....	15,000
Total cost of Esquimalt-Nanaimo section when completed.....	2,500,000

These statements, Sir, show conclusively how very small an annual expenditure for interest is required to build the Esquimalt-Nanaimo section of the Pacific Railway, and to meet the interests on the Gold Reserve after its completion. The amount of the annual charge is so insignificant that it can never be felt, whilst the construction of the Railway will meet one condition of the Carnarvon Terms, keep faith with British Columbia, and fulfill a solemn obligation too long delayed in its fulfillment. Before leaving this branch of my subject, I will state that half of the \$750,000 offered by the hon. member for West Durham, when in the late Government, to British Columbia as a consideration for all future delays—for postponement for an indefinite period—in construction of the Canadian Pacific Railway in that Province, is equal to the total Gold Reserve required to build the Esquimalt-Nanaimo section on the financial basis that I have proposed; and that the other half would pay the annual interest on the Gold Reserve for twenty-five years after its completion, without counting the interest on it, if it were invested. I will now endeavour, Sir, to show that no increased taxation will be required to pay interest on the money required to build this section of the Pacific Railway; and further, that the reduced

expenditure of the Mail Service between San Francisco and Victoria, with the increased Customs Receipts, consequent on the increase of population on Vancouver's Island, incident to the building of this section of the Railway, will show an aggregate gain and saving of several hundred thousand dollars over interest on Gold Reserve. It will be remembered that the Mail Service between Victoria and San Francisco costs annually \$54,000. The contract expires on the 1st July next. The new contract for the Service goes into operation at that date, and will cost only about \$18,000 a year. That will make a saving of \$36,000 per annum, or a total saving, in five years, of \$180,000. I estimate that the minimum increase of the population in Vancouver Island, between 1881 and 1885, if this Railway be constructed, will be 3,000,000. At \$10.42, the present *per capita* of Customs paid by British Columbia, the minimum increase of population 3,000 would, in four years, yield \$125,040 additional Customs Revenue over the present Receipts. The following summary shows the net aggregate gain and saving between 1880 and 1885:—

SUMMARY.

Saving on San Francisco Mail Subsidy during five years, 1880 to 1885, at \$36,000.....	\$180,000
Increase in Customs receipts on increase of population, the minimum 3,000 at \$10.42 <i>per capita</i> ..	125,000
Total gross Gain and Saving....	\$305,050
Interest on total Gold Reserve of \$375,000 from 1881 to 1885—(see prior statement).....	37,500
Total net aggregate Gain and Saving, 1880 to 1885.....	\$267,540

From this showing, it is apparent that there need be no fear of increasing taxation or laying a heavy additional burden on the country, in order to build this section of the Railway, and carry out the Carnarvon Award. On the contrary, it is established that there would be a net aggregate gain and saving of \$267,540, showing that the construction of the Railway will be a profitable transaction for the Dominion. I will now direct attention, Sir, to the estimates of Expenditure and Receipts of this section of the Railway, after it shall have been

set at work. It is important that the Esquimalt and Nanaimo Section of the Canadian Pacific Railway should yield enough annually to meet the yearly charge for maintenance, repairs and operating expenses, and leave a net surplus besides. I know of only one railway on the Pacific coast of which the expenses and receipts would give an idea of what the probable expenses and receipts of the Esquimalt-Nanaimo Section would be; that is the Tacoma-Kalama Section of the Northern Pacific Railway, connecting Puget Sound with Columbia River, a distance of 105 miles. Speaking from memory, and subject to correction, for I have mislaid my notes on the subject, the annual expenses of this Railway under all heads, a few years ago, was \$105,000; and the net profits over interest and charges, \$37,000. I give this statement merely from memory, without vouching for its exactness. I will, however, draw your attention to two short railways connecting with this city of which we have statistics of the cost of maintenance, repairs, and operating expenses in the return of Railway Statistics for 1877-8 laid before Parliament. The first is the Brockville and Ottawa Railway, 86½ miles in length, and cost of maintenance, repairs, and operating charges, \$113,126; and secondly, the St. Lawrence and Ottawa, 59 miles in length, and expenses, \$112,559. Now, Sir, the Esquimalt-Nanaimo Section will be about 68 miles in length, and I estimate that the maximum expenditure for its maintenance, repairs, and operating expenses will be \$100,000. My reason for placing the expenses lower than the two roads entering this city is, that the chief freight that will be carried for some years will be coal, and according to the regulations with respect to moving coal on the Intercolonial in Nova Scotia, the shippers and consignees of the coal have to load and unload at their own expense, making a very considerable saving to the Government; and applying the same regulation to the Esquimalt-Nanaimo Section, I reduce the expense to a maximum of \$100,000 per annum. Now, Sir, I will give a statement of my estimate of annual receipts and expenditure of this section of the Railway, after it shall have been fairly put in operation. It is as follows:—

STATEMENT OF RECEIPTS AND EXPENDITURE.		
40,000 tons coal delivered at Victoria or local consumption, at \$1 per ton		\$40,000
60,000 tons coal, delivered at Victoria or Esquimalt, to be shipped for- eign, at the special rate on the In- tercolonial between New Glasgow and Londonderry iron mines, at 65 cents per ton		39,000
50,000 tons coal, delivered to shipping at Nanaimo for exportation at 50 cents per ton		25,000
5,000 tons produce and merchandise at \$2 per ton		10,000
10,000 passengers at \$2		20,000
Royalty on 100,000 tons coal raised within the Railway coal fields, at 20 cents per ton		20,000
Saving on carrying mails between Victoria and Nanaimo, per an- num		4,000
Sales of land, timber, &c		10,000
Total gross estimated receipts .. .		\$168,000
Total annual expenditure for E. and N. Railway		\$100,000
Interest on Gold Reserve ..		15,000
Total Estimated Net Receipts		\$53,000

I believe, Sir, that, in the near future, after this road shall have been put fairly in operation, my estimate of receipts and net profits will be verified; and that when the continental portion of the Railway shall have been extended to English Bay, Burrard Inlet, with a ferry to connect with Nanaimo, that the passenger and

freight business that will be done by the Island Section of the Pacific Railway, will exceed any other short section on the whole transcontinental line. I have only now to direct attention to the Rail- way Land Belt on Vancouver Island that will pass to the Dominion Government as soon as it is prepared to commence the construction of this section. There will be a very considerable area of land, chiefly timber land, in the belt, that will prove valuable. But it is the coal fields along the line of Railway that will be most valuable. I estimated that between Esquimalt and Nanaimo, within the Railway Belt, that there are 200* square miles of good coal fields. Now, the very least that will be worth to the Government, on the average, is \$50,000 per mile. At that rate the 200 square miles would be worth ultimately \$10,000,000—a sum equal to four times the estimated cost of the line between Esquimalt and Nanaimo. This shows, in connection with my esti- mates of the net receipts that the building and operating this section would prove a profitable undertaking. I trust the Gov- ernment, during Recess, will give this subject their best attention, and at the next Session of Parliament will submit a measure for its construction.

* Since estimated by Surveyor General of British Columbia at 150 square miles.

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EXTRACTS FROM DEBATES

IN

DOMINION PARLIAMENT

AND

BRITISH COLUMBIA LEGISLATIVE COUNCIL

In 1871

ON

THE RAILWAY LAND CLAUSE

OF

**THE TERMS OF UNION OF BRITISH COLUMBIA
WITH CANADA.**

OTTAWA :

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EXPLANATION.

These Extracts were taken from the only reports of Debates found in the Parliamentary Library, Ottawa, and include all that is reported to have been said, during debate, in the Legislative Council of British Columbia and in the Dominion Parliament about Railway Lands, when the question of the admission of that Province into the Confederation was under discussion in 1871.

The Extracts, from the Parliamentary Debates, in 1869, on the proposed admission of Newfoundland, have been added to establish more clearly the real reason, why the Dominion Government offered to give British Columbia, after the Financial Terms proposed by the latter were rejected, \$100,000 a year for ever for a 20-mile belt of land on each side of the Railway through that Province.

The Financial Statements, on pages 1 and 2, show what Subsidies British Columbia proposed, and what were offered by Canada and agreed to.

The Appendix contains an extract from an Act of 1875 conveying to the Dominion, a 20-mile belt of land on each side of the proposed Railway between Esquimalt and Nanaimo ; and, also, an Act of 1880 conveying to the Dominion Government, a 20-mile belt of Land on each side of the Railway between English Bay, Burrard Inlet, and the summit of Tête Jaune Pass on the eastern boundary of British Columbia.

In the Appendix, there is, also, a letter, dated " Victoria April 14th, 1830," addressed to the Attorney General of British Columbia, by Mr. Trutch, a Confidential Agent of the Dominion Government, in which that gentleman, in the name of that Government, requests the Provincial Government to transfer to the Dominion, outside of the 40-mile belt, but does not mention where, " an equal area of lands suitable for farming or other valuable purposes," in lieu of those lands within the 40-mile railway land belt that, on investigation, may be found valueless,—and has thus raised a question that is entirely new—never heard of before.

My own intimate personal knowledge of the history of the union of British Columbia with Canada enables me to state, that this entirely new

claim for land in that Province is without a color or shadow of right to support it. Nothing but the circumstance that Mr. Trutch who raises this question, was one of the delegates who visited Ottawa, in 1870, to negotiate the Terms of Union, makes it worthy of consideration. It is this fact that has induced me to collect these Extracts, &c., together, and place them within the reach of those who might otherwise be led to believe, that there is some truth and justice in the claim put forward by Mr. Trutch. If new terms respecting the Railway lands had been proposed, the proposal, whether judicious or not, would have the merit of being honorable; but the attempt to import a new provision,—one never before hinted at,—into the Railway Land Clause is, to say the least, highly discreditable; and certainly is most unworthy in one who undoubtedly knows better.

To understand this question thoroughly, it is necessary to know the origin of the Railway Land clause of the Terms of Union.

On reference to pages 1 and 11, it will be noticed that British Columbia proposed that her population for financial purposes be estimated at 120,000; "but finally agreed to accept the basis of the actual population, namely, 60,000." On this basis the subsidies stood (see page 2) as follows:

5 per cent on difference between actual and	
allowed debt	\$ 33,289 71
60,000 inhabitants @ 80c. per head.....	48,000 00
Annual subsidy	35,000 00
Total	\$116,289 71

This total was nearly \$100,000 less than the Legislature of British Columbia had authorized the Delegates to accept. Unless that sum could be made up in some way, it was useless to continue the negotiations. As no expedient was at hand to make good the deficiency, the negotiations were adjourned till next day. Next morning, Sir Geo. Cartier entered the Privy Council Chamber and stated that Parliament had offered Newfoundland, \$150,000 a year for ever for all her Crown Lands, and that he proposed to give British Columbia, \$100,000 a year for ever for a belt of land not exceeding 20 miles in width on each side of the Railway. This was promptly accepted; and Mr. Trutch immediately drew up the Railway Land Clause,

Any one who will carefully examine the Railway Land Clause on page 3, and recollect that Mr. Trutch drew it up, cannot but feel fully convinced that so well drawn a clause would have contained a provision providing for the selection of land "suitable for farming or other valuable purposes" in lieu of lands, within the Railway Land belt that, "on investigation," might be found valueless, if such subject had been discussed between Sir Geo. Cartier and himself.

It will be seen, on page 4, that when Mr. Trutch moved in the Legislative Council the adoption of the Terms of Union, he said that "he could not do better now than pass them in review and comment upon their relative advantages." He stated that the nominal population of 120,000 "was objected to by the Canadian Government, and was fixed at 60,000 as "the basis of the financial portion of the terms," and that "The Railway "subsidy was in return for a belt of land 20 miles on each side of the line of "the road." Not a word is mentioned about selecting good land any where throughout the Province for what might be found valueless in the belt. So the Railway Land Clause was accepted by the Legislative Council without inquiry and interpreted according to the true intent and meaning of words and sentences, although Mr. Trutch stated (page 4) that "the Delegates "were present to explain the exact meaning of every clause as they under- "stood it at the time of the making of the Terms."

The mountainous and sterile character of a large part of the Province was well known to the Delegates, and to Mr. Trutch in particular; for he carried with him to Ottawa a copy of a map of the Province generally known as "Trutch's Map," intended for publication, which represented the country generally as a "Sea of Mountains," and which was taken to the photographer of the Public Works Department to be copied. The Dominion Government cannot, then, plead ignorance of the rough and mountainous "the country.

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nion to sell lands that in common fairness ought to inure to its benefit. Pre-emptions were allowed so as not to stop the actual settlement of the country. If the line had been located in 1873 on the adopted route, some hundreds of thousands acres of good land within the belt would have passed to the Dominion that are now in private hands.

It will be observed that the Railway Land Clause says nothing about *the quality* of the land, whether valuable for farming land or any other useful purpose. It simply speaks of *quantity*; and whatever quantity had been alienated under Crown Grant or Pre-emption was to be made good from *contiguous* lands,—not from lands selected anywhere or everywhere throughout the Province.

The fact is the Dominion did not want the lands. It was only an excuse to give the Province a subsidy sufficient to carry on its government and make internal improvements,—on the same principle as the \$150,000 had been offered to Newfoundland. Mr. Anglin (page 16) stated that “the Minister of Customs had admitted that it was only an excuse to give the money, and that the lands were not wanted.” Any contention, therefore, at this late day, about the quality of the land in the Railway belt, is most mischievous.

Sir Alex. Campbell, when he moved in the Senate, the adoption of the address for the admission of British Columbia stated very frankly the views of the Government as to the value of the Railway lands as a source of revenue. He said (page 9) “It will be remembered that, in the case of Newfoundland, we agreed to give her \$150,000 per annum for land for ever. *It was not believed in that case, NOR IS IT IN THIS, that the land would yield any revenue equal to that sum*; but it was valuable in some respects; and it was felt necessary to assist Newfoundland beyond the 80 cents per head of her population.”

This statement alone, taken as a governmental utterance, and as an expression of the views of the Dominion Government as to the value of the Railway Lands at that time, ought, in itself, to quiet forever all contention about the quality of the land in the Railway Land belt.

Reference to and careful examination of the two Statutes of British Columbia in the Appendix establish, beyond controversy, that the Provincial Government has kept faith with the Dominion, and conveyed to it by

Statute every foot of land it is entitled to for Railway purposes ; and, speaking on my own personal responsibility, stands ready to make good from contiguous lands an area equal to what the Province has alienated by Crown Grant and Pre-emption.

A. DECOSMOS.

OTTAWA, November 20, 1880.

FINANCIAL TERMS PROPOSED BY BRITISH COLUMBIA IN 1870; AND
FINANCIAL TERMS AGREED TO BY CANADA AND BRITISH
COLUMBIA, 1870.

From Commons' Sessional Paper, No. 18, Vol. 4, No. 4, 1871.

TERMS PROPOSED BY BRITISH COLUMBIA TO CANADA IN 1870.

Sec. 2.—“The population of British Columbia shall, for the purpose of financial arrangements, be estimated at 120,000. British Columbia not having incurred debts equal to those of the other Provinces of the Dominion, shall be entitled to receive half-yearly, in advance, from the General Government, interest at the rate of five per centum, per annum, on the difference between the actual amount of its indebtedness at the date of Union, and the proportion of the public debt of Canada for 120,000 of the population of Canada at the time of Union.”

Sec. 3.—“The following sums shall be annually paid by Canada to British Columbia, for the support of the local Government and Legislature, to wit:

“An annual grant of \$35,000, and a further sum, equal to 80 cents per head, per annum, of the population; both payable half-yearly in advance, the population of British Columbia being estimated as aforesaid at 120,000. Such grant equal to 80 cents per head, to be augmented in proportion to increase of population, when such may be shown, until the population amounts to 400,000, at which rate such grant shall thereafter remain.”

(Amendments proposed by the Legislative Council: “That the Governor be respectfully requested to strike out the figures \$55,000 and insert in lieu thereof \$75,000.”) (“That figures “400,000” be altered to “1,000,000.”)

SUBSIDIES BY DOMINION GOVERNMENT

From Commons' Sessional Papers, No. 18. Vol. 4. No. 4, 1871.

(Page 9.)

As proposed by terms submitted to Canada, 1870.

80 cents per head on 120,000 inhabitants.....	\$96 000
Subsidy.	35 000
Interest on difference of debt at 5 per cent.....	82,000
	<u>\$213,000</u>

(Pages 10 and 11).

DEBT AGREED UPON AT OTTAWA, 1ST JULY, 1870.

Commons' Sessional Paper, No. 18. Vol. 4. No. 4. 1871.

Sect. 2.—60,000 population at \$27.77 per capita.....	*\$1,666,200 00
“ Actual debt.....	**1,000,405 66
Balance 1872. Commons' Sessional Paper No. 2,	
Part 4, B.C., Debt Account.....	\$665,794 34

DOMINION SUBSIDIES UNDER 'TERMS OF UNION.

(Page 10, 11 and 12 Sess. Pap. No. 18.)

Sect. 2.—5 per cent on \$665,794.34 at 5 per cent.....	\$33,289 71
Sect. 3.—60,000 inhabitants at 80 cts.....	48,000 00
“ Annual subsidy.....	35,000 00
Sect. 11.—\$100,000 per annum for Railway lands.....	100,000 00
Total subsidy to B. C.....	\$216,289 71

FROM MR. TRUTCH'S SPEECH, REPORTED IN "COLONIST," 1871.

Financial terms :

60,000 population at 80 cts.....	\$ 48,000
Annual subsidy.....	35,000
Difference in debt at 5 per cent.....	29,908
Annual allowance for railway lands.....	100,000
Total subsidy.....	\$212,908

* Proposed terms of B.C. were that B.C. be allowed 5 per cent on difference between ^{actual} debt and the proportion of the public debt of Canada for 120,000, estimated at \$92,000 for subsidy on allowed debt.

** \$1,000,405.93. *Sessional Papers, B.C., 1873-74, page 59.*

DEBATE IN LEGISLATIVE COUNCIL OF BRITISH COLUMBIA ON
ADMISSION OF THAT PROVINCE INTO UNION.

From British Colonist Report.

SUBJECT: RAILWAY LANDS.

Section 11, clause 2.

"And the Government of British Columbia agree to convey to the Dominion Government, in trust, to be appropriated in such manner as the Dominion Government may deem advisable in furtherance of the construction of the said railway, a similar extent of public lands, *along the line of railway* throughout its entire length in British Columbia, not to exceed, however, twenty (20) miles on each side of said line, as may be appropriated for the same by the Dominion Government from the public lands in the North West Territories and the Province of Manitoba. Provided that * the quantity of land which may be held under pre-emption or by Crown Grant WITHIN THE LIMITS of the tract of land in British Columbia to be so conveyed to the Dominion Government shall be made good to the Dominion from contiguous public lands; and, provided further, that UNTIL the commencement, within two years, as aforesaid, from the date of Union, of the construction of the said railway, the Government of British Columbia shall not sell or alienate any further portions of the public lands of British Columbia in any other way, than under right of pre-emption, requiring actual residence of the pre-emptor on the land claimed by him. In consideration of the land so conveyed in aid of the construction of the said railway the Dominion Government agree to pay to British Columbia from the date of Union, the sum of 100,000 dollars per annum, in half-yearly payments in advance."

British Colonist, January 19, 1871.

Extract from leader:

"Our Legislature, yesterday, presented a strange study. Just think of it! A Legislature created, we might say, for the express purpose of deciding the great question of Confederation, giving a unanimous vote in silence, save only *what was said by the mover and seconder!*"

SPEECH OF MR. TRUTCH AND OTHERS ON ADOPTION OF TERMS
OF UNION.

Legislative Council, January 18, 1871.—Colonist report published January 19, 1871.

"Hon. Chief Commissioner in rising to move the Orders of the day, said it devolved on him, as one of the Delegates appointed by the Governor to negotiate

* Nothing said of quality.

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" the terms of Union with Canada, to now lay before the Council for consideration
 " and adoption the terms agreed to by the Government of the Dominion of Canada.

* * * * *

" He looked in vain for any reasonable ground of objection to the Terms and
 " could find none. They differed in some respects from those passed by the Council
 " last year, and he could not do better now than pass them in review and comment upon
 " their relative advantages. The financial scheme differed very materially to the
 " advantage of this colony. The population was, last year, set at the nominal
 " amount of 120,000 persons, the reason for which was stated to this House. This
 " nominal population, however, was objected to by the Canadian Government, and was fixed
 " at 60,000 as the basis of the financial portion of the terms. This, counting Indians
 " and all, was about the true population of the colony. The Dominion Government
 " will take of our revenue \$363,500, leaving to be disposed of by the local govern-
 " ment \$170,450. From the Dominion, we receive 50 cts per head on 60,000 inha-
 " bitants (\$48,000), an annual subsidy of \$35,000; interest on difference of debt at
 " 5 per cent \$29,908, and railroad land annual allowance \$100,000, making a total of
 " \$12,908. THE RAILWAY SUBSIDY WAS IN RETURN FOR A BELT OF LAND 20 MILES ON
 " EACH SIDE OF THE LINE OF THE ROAD.

" To the total subsidy add \$170,450 revenue left to British Columbia, and we
 " had a grand total of \$363,358. Out of this latter sum, British Columbia had only
 " to provide \$236,073 for Local Government. This was based upon the Estimates
 " of this year. We had, therefore, a balance of \$147,285, at the disposal of the Local
 " Government, all the services being provided for which are estimated for the
 " current year. According to the scheme of last year, the balance in favor of the
 " Local Government was \$151,050; but during the present fiscal year, the revenue
 " has decreased, and the financial basis started with the population at 60,000 instead
 " of at \$120,000."

" The Delegates had more trouble with the Graving Dock item than with all
 " other clauses put together."

* * * * *

" In the railway Clause, the Colony does not get any coach road; but they get
 " a SPEEDIER COMPLETION of the railroad than was suggested last year, AND ARE
 " OFFERED \$100,000 FOR EVER FOR A CERTAIN BELT OF LAND ALONG THE RAILROAD TO
 " BE HELD IN TRUST BY THE CANADIAN GOVERNMENT."

* * * * *

" The Government would lay before the Council the form of an Address, which
 " would be open to amendment, and the delegates were present to explain the EXACT
 " MEANING OF EVERY CLAUSE as they understood it at the time of MAKING THE TERMS."

" Hon. Dr. Helmcken seconded the resolution of the hon. Chief Commissioner
 " to go into Committee."

" The motion to go into Committee was then passed unanimously, and the
 " Council resolved itself into Committee of the Whole, Mr. Pemberton in the chair."

" The Committee took up consideration of the Address and Terms, which are as
 " follows:—

" To the Queen's Most Excellent Majesty: "

* * * * *

" Clauses 1, 2, 3, 4, 5, and 6 were passed unanimously.

" At clause 7, Mr. Nathan said that he was prepared to support the immediate
 " acceptance of the Canadian tariff and would therefore move that consideration of
 " this clause be deferred.

" Hon. Chief Commissioner said it was not necessary at this time to move the
 " adoption of the Canadian Tariff,—it could be done at any future time—say on
 " Monday."

" Mr. Nathan accepted the view of the hon. Chief Commissioner, and clause 7
 " was then passed."

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" At clause 10, Mr. Bunster moved that the word Nanaimo be added instead of Esquimalt, as Nanaimo was the place at which a dry dock should be built.

" Mr. Nathan expressed an intention of moving an address to the Governor asking for an extended guarantee for the Dock.

" Mr. Bunster pressed his amendment (laughter). Hon. gentlemen might laugh, but if they only know the advantages Nanaimo had, they wouldn't laugh. (Renewed merriment.)

" The clause passed, Mr. Bunster dissenting.

" The remaining clauses were then passed unanimously and amid much applause."

* * * * *

" The Committee rose and reported progress, and asked leave to sit again."

AMENDMENTS RESPECTING RAILWAY LANDS.

Extracts from Journals of Commons, 1871.

Pages 162-3. March 30.

" Mr. Ross (Dundas) moved in amendment thereto, seconded by Mr. Jones (Leeds and Grenville), " That the words * * * * " The said terms also pledge the government to a yearly payment to British Columbia of the sum of \$100,000 in perpetuity, equal to a capital of \$2,000,000 for the cession of a tract of waste land on the route of the Pacific Railway to aid in its construction, which British Columbia ought to cede without charge in like manner, as the lands of Canada are proposed to be ceded for the same purpose." * * * * *

Motion lost 75 to 80.

Page 153. 28th March.

Mr. Mackenzie had the above clause in his motion of 28th March.

Page 192. March 31.

" Mr. Blake moved in amendment, seconded by the Hon. Mr. Smith, (Westmoreland). That all the words after "That" to the end of the question be left out, and the words "the proposed terms of Union with British Columbia provide for the payment by the Dominion to British Columbia of a yearly sum of \$100,000 in perpetuity (equal to a capital sum of \$2,000,000) for the cession of a tract of waste land on the route of the proposed Pacific Railway to aid in its construction, while any such land required for that purpose should be ceded without charge in like manner as the lands of the Dominion are to be ceded, and that the said resolutions be recommitted for the purpose of amending the same in accordance with "this resolution," inserted instead thereof."

Note—This amendment was lost. 59 to 81.

PARLIAMENTARY DEBATES ON ADMISSION OF BRITISH COLUMBIA, 1871.

Extracts from Debates published at Ottawa Times Office.

Page 661, Ottawa, March 28, 1871.

"SIR GEO. E. CARTIER—* * * "The delegates of British Columbia wished to have the subsidy placed at 80c. per head for the origin of the "a population of 120,000; but on being informed that it would be \$100,000 subsidy for "impossible to obtain the assent of Parliament to such terms, they Railway land belt. "allowed the population to be put at 60,000

* * * * *
"While this clause is under discussion between the delegates and the Government, it was proposed by the Dominion that the colony should hand over a forty mile strip of land towards the construction of the railway. That would be 2,000 square miles of land, or 50,160,000 acres of land, NOT MERELY AGRICULTURAL LAND, BUT MINERAL LAND. Placing that land at \$1 per acre, it would be equal to a grant of \$50,360,000 towards the construction of the railway. It was proposed to give the colony \$100,000 per annum, which, placing the interest at 5 per cent., would be the annual interest on 2,000,000 acres of land, leaving the remainder to be used by this Government."

Page 665.

"SIR A. T. GALT * * * "The result was the colony would receive \$150,000 to \$170,000 a year from Canada for Union, including a trade guarantee for the works at Esquimalt. He would not object to that price for political union; and did not think it too great an equivalent for valuable lands exacted from the colony for the railway."

* * * * *
"HON. MR. TILLEY.—* * *. "He entirely agreed with his hon. friend (Galt) that it was impossible to take large Provinces into the Dominion with a small population, acquire all their lands without giving them in return for the means of carrying out the local works necessary to make the country attractive to immigrants, and how could it be expected that the people of this large Province, twice the size of Ontario, would be in a position to develop the resources of their country without assistance. "ANCE,—AND THAT ASSISTANCE was what the Government proposed to give \$100,000 for railway lands was "render in the proposition before the House. The member for Sherbrooke had said that he would have preferred that the Government should have come down and asked a direct vote for that purpose; but he would remind the hon. member that he had not been in favor of that mode, when it was proposed with reference to Newfoundland. * * * * *

After recess. Pages 669 and 670.

"HON. MR. TILLEY resumed the debate. He had been pointing out the difference between the proposition of British Columbia, and that adopted ultimately, which he regarded as the more favorable to the Dominion. * * * * *
"The expense for local works would hardly amount to as much as the hon. member for Sherbrooke estimated they would. Excluding the annual sum of \$100,000 for

COLUMBIA,

"the land grant and the expenses of the Government, these charges would amount to a total of \$361,000. The revenue amounted to \$363,400, which, of course, would largely increase in the future. The difference therefore was not so great after all. Even supposing that the Local Government should accept our lower tariff, the revenue would reach \$308,000. The \$100,000 was, therefore, the amount of expenditure in excess of receipts, and for this the Government received a large grant of valuable land. Now the question was in the union of the Colony worth the cost."

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Pages 672, 673.

"HON. MR. MACKENZIE.—* * * He would consent to a considerable grant of money to carry on the Government of a new Colony, and particularly of such a difficult country as Columbia, and he would not show himself less liberal than any other member of the House in considering what ought to be done in the present. The objection of Mr. ENSO. In the discussion in reference to Newfoundland, he preferred Mackenzie was to taking "allowing a sum to carry on the Government, rather than take over the land, not to the payment of \$100,000 a year. "the public lands, as while the revenue was \$3,000 per annum, the cost of management was \$8,000,—and he took the same view with regard to the land grant for the construction of the railway to the Pacific. From all he knew of the country, after descending from the Rocky Mountains, the country was valueless for agricultural purposes. The gold mines have certainly proved to be very remunerative, but they are carried on by large companies, and the large importations of breadstuffs into the colony corroborated the barrenness of the land."

* * * * * "The said terms also pledge the Government of Canada to a yearly payment to British Columbia of the sum of \$100,000 in perpetuity, equal to a capital sum of \$2,000,000 for the cession of a tract of waste land of the route of the Pacific Railway to aid in its construction, which British Columbia ought to cede without charge, in like manner as the lands of Canada are proposed to be ceded for the same purpose."

Page 714, Ottawa, March 30, 1871.

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"HON. MR. MORRIS * * * He asked the House seriously the nature and character of the land proposed to be acquired. The land consisted of the United Province of British Columbia and Vancouver Island; and no one could deny would increase enormously the wealth, the resources, and the prosperity of the Dominion." He had several extracts from works on the country, showing its valuable nature and character, and thought the member for Lambton was not justified in the remarks he had used to the effect of there being scarcely any arable land in the whole of British Columbia."

"MR. MACKENZIE stated that what he said was that after descending the slopes of the Rocky Mountains, the country was the roughest on the continent."

"HON. MR. MORRIS, thought the construction he had put on the hon. member's remarks was not very far wrong; but he could state on the indisputable authority of Mr. Trutch, the Surveyor General of British Columbia, that taking the whole of British Columbia and Vancouver's Island, fully one-third or 50,000,000 of acres was good farming land, while the whole acreage of Ontario was 77,000,000 acres."

Page 717.

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"MR. OLIVER resumed the Debate * * * * * "It was manifestly unfair to give \$100,000 per year for lands which had not yet been proved to be worth anything. The assumption of these lands by the Dominion

" would entail additional expense on the general government. It would be much
 " better to leave them in the hands of the local Government who could manage them
 " better than the administration at Ottawa." * * * *

Page 718.

" Hon. Mr. ANGLIN * * * He disapproved of the unfair Parliamentary
 " representation, giving six members to 13,000 people; to pensioning officers, and to
 " the payment of \$100,000 per annum to sustain a corrupt and extravagant Government;
 " given too, under the pretence that it was rent for public lands. Let the House know
 " all the meaning of these terms * * * *
 " At the Rocky Mountains, fresh difficulties were to be met, and the British Colonist, a
 " paper published at Victoria, V. I., favorable to Confederation, spoke of the route
 " through which it was proposed to run the railway as 'a sea of mountains.' If this
 " account were correct, it would be difficult to find those vast tracts of fertile country.
 " spoken of by hon. members opposite, and it could be no easy matter to run a railway
 " through it. With this much known, this House should be enabled to understand
 " how much of a burden they were expected to bear, before they were asked to
 " vote for this measure." * * * *

Page 720.

" Where was the population to come from? When it was well known that the
 " population of British Columbia had materially decreased of late years! It could
 " only be explained by the fact that the country was not inviting to settlers. * * *

Page 726.

HON. MR. McDUGALL.—* * * " Through and beyond the Rocky Mountains,
 " the country was of a nature most difficult for a railway and most discouraging as regards
 " the prospects of settlement and traffic." * * * *

Page 727.

" The same might be said of the money grant, which, though based on a larger population
 " than really existed did not form a serious objection; for it had always been understood
 " that the small Provinces should be enabled to carry on the Government and local
 " works, and he would be quite ready to vote directly a sufficient sum to enable British
 " Columbia to meet her expenses. * * * *

Page 744. March 31, 1871.

" Hon. Mr. MACKENZIE said that in the speech of the hon. Minister of Militia,
 " the statement had been made that one third of the land in British Columbia was fit
 " for agriculture. But it was admitted that this statement embraced the Island of
 " Vancouver. Now, in dealing with this question, the Island must not be taken into
 " consideration at all. From all the evidence he could obtain respecting the mainland,
 " not one fifth of it was available for settlement by farmers, and the remaining four fifths
 " through which the road was likely to run, had yet to be proved good for mining purposes.
 " It was simply absurd to put the price of that land at \$1 per acre. * * *

Pages 748-749.

" Sir Geo. E. CARTIER.—* * * For the sake of the member for Lambton
 " himself, he trusted his speech would not be reported, and especially that part in

" which he had spoken of the character of the land in the most disadvantageous terms ; and yet he said he was in favor of building the railway as soon as possible.
" If the land was as described by the hon. member, why should a railway be built at all.
* * * * *

Page 749.

" The hon. members opposite had been sufficiently unpatriotic to represent the country as that it would never attract immigration, and he quoted from the proceedings of the House of Representatives of the State of Minnesota, speaking of the Canadian line as practicable, and the territories of the North West and British Columbia as the most fertile on the continent. * * * * *
" Mr. MACKENZIE denied that he had done anything to deery the country."
" Hon. Sir GEO. E. CARTIER was glad he had given the hon. member an opportunity to correct himself. He quoted an article from an American paper, copied into the *Globe*, characterizing the Saskatchewan country as most valuable in soil and minerals, and British Columbia as possessing rich mineral resources, magnificent climate and fine soil. It was fortunate the truth could be ascertained, even if it came from opponents."
American paper's statement. * * * * *

Page 755.

M. BLAKE moved in amondment.
(See also Journal of Commons, page 193, March 31, 1871.)

OTTAWA, April 1, 1871.

Address carried.

DEBATES IN SENATE ON ADMISSION OF BRITISH COLUMBIA.

SENATE, April 3, 1871.

Page 776.

" Hon. Mr. CAMPBELL, * * * * Now I come to that item which provides that Dominion government agree to pay British Columbia the sum of \$100,000, in consideration of the land ALONGSIDE THE RAILWAY. It will be remembered that, in case of Newfoundland, we agreed to give her \$150,000 per annum for land, for ever. IT WAS NOT BELIEVED IN THAT CASE, NOR IS IT IN THIS, that the land would yield any revenue equal to that sum ; but it was valuable in many respects, AND IT WAS FELT NECESSARY TO ASSIST Newfoundland BEYOND the 80 cents per head of population.
* * * * *

Page 776.

Hon. Mr. CAMPBELL.—"It must be remembered that in making an arrangement with a country like this, sparsely populated and with large boundaries, provision

"must be made for internal development, and in any union we must make it satisfactory to the people of that country as well as ourselves. Looking, therefore, at the whole state of the case, there would only remain to British Columbia \$100,000, which we propose to give to her for the land she agrees to cede to the Dominion ON THE LINE OF RAILWAY. Surely that cannot be considered an unreasonable arrangement; in fact, I have not heard any one say so."

"In Ontario, it is expected that alternate sections of 20 miles will be given for the construction of the road, whereas British Columbia gives a continuous grant of 20 miles on each side. Therefore the quantity of land given by that colony is two-fold. Therefore the item respecting the land can be defended successfully with respect to the necessities and requirements of the country, and in a LESSER DEGREE, by the cession of the land itself which the Dominion is to receive."

Necessity to give B. C. revenue.

Page 793.

"Hon. Mr. MILLER * * * British Columbia including Vancouver Island, as they were well aware, was the most western dependency of England on this continent. * * * The country, although in many parts broken and uneven, contains much valuable agricultural land, equal to the support of a great population. * * * British Columbia is known to contain coal formations of immense extent. * * * Then copper abounded in the colony, and also magnetic iron ore, marble, limestone, sandstone, &c. Its gold fields had a world-wide reputation."

Page 796.

"Hon. Mr. MILLER * * * The financial arrangements had doubtless been settled on accurate information and a full investigation of the wants and circumstances of the Colony."

Page 809.

"Hon. Mr. SANDBORN, * * * Whilst the government undertake to incur so enormous an expenditure in connection with the railway, they agree to pay \$100,000 yearly in consideration of the land, advanced for the construction of that work. How the government could ever entertained a proposition of that character I cannot understand. If British Columbia has any interest in having this road built and uniting with Canada, surely she ought to be willing to give up so much of her territory as will be necessary for the purpose of securing communication between them and us. The more I consider the financial features of the scheme, as respects the railway, the more I see their unfairness, and am convinced of my duty to oppose them."

Page 810.

"Hon. Mr. McPHERSON * * * Now, with respect to the financial features of the scheme, EVERY ONE MUST admit that it is absolutely necessary that British Columbia should have the ability to support her local government and of meeting her local requirements. The Dominion agrees to pay an annual subsidy of \$35,000, as in the cases of the other Provinces; also, 80 cents per head, equivalent to \$48,000; these sums amount to only \$83,000, which is evidently altogether inadequate to meet the local wants of this Colony. THEREFORE it was found necessary to supplement that amount by \$100,000—no very extravagant sum certainly."

Reason for \$100,000 subsidy.

"If instead of \$35,000, it had been shown that \$135,000 was required by British Columbia in order to maintain her Provincial services, and make such local improvements as she would require, this country could not have objected to give it, and that too without an equivalent in the shape of land. Instead of that, however, the

"Government of the Dominion has stipulated that a strip of land, 40 miles wide, should be given along the route of the proposed railway in British Columbia. If the information we have is at all correct, that land must become very valuable in the course of time, and I think the country has every reason to be satisfied with this part of the arrangement. * * *

Pages 814 and 815.

"HON. M. DEVER:—In answer to the remarks of some of the Opposition as to the value of the possessions in question, no better answer could be given than the following statement taken from the New-York *Tribune* of a late date. Speaking of the resources of British America, the New York *Tribune* said: * * * Beyond the Rocky Mountains is British Columbia, abounding with gold, and containing the best and most abundant coal mines yet found on the Pacific Slope. It has a superior soil, a magnificent climate, and an abundance of fish. That colony is in every respect in "natural superiority" fully on a par with California, and Oregon, and the Territory of Washington."

Page 836, April 4, 1871.

* Referring to speech of Mr. McPherson. "HON. MR. DICKEY.— * * * What the country may be over the steppes of British Columbia, I cannot say, nor can he. * * *

Page 840.

"HON. MR. CHAPAIS. * * * British Columbia has not dictated the terms and conditions of her Union with Canada, as that hon. member was pleased to say yesterday; but we have objected to and amended the terms proposed by her and the changes, have been accepted by her delegates. * * *

Page 844.

"British Columbia has agreed to grant fifteen million acres of land along the route, and these will be sufficient or nearly so for the construction of their part of the road. Immigration will settle along the road, and thus it will prove a lasting benefit to British Columbia and Canada. * * *

Page 846.

"The distance from Fort Garry to the Rocky Mountains 1,125 miles, is of an easy character, and the 600 miles following through the sea of mountains (as it has been called) is difficult; but much less so on our side than on the American Territory, where the two lines are being constructed. * * *

Page 847.

"As for the climate and nature of the soil in British Columbia, I can prove, that they are most favorable to colonization. * * * Because the Rocky Mountains intervene between Canada and British Columbia, it must not be inferred that the whole colony is of the same character as those Mountains and is unfit for colonization purposes. When, for instance, a traveller visits the Saguenay river, and looks at its high rocky walls, he cannot conceive that the country behind is of such a splendid character as it has proved to be round Lake St. John and elsewhere. Well, it is the same with British Columbia, and the Territories north of Lake Superior,

"for the whole length of the road,—and I have proved that once the Rocky Mountains are passed, the country is as favorable as any part of Canada, with respect to climate, soil, timber, &c." * * * *

Page 856.

"Hon. Mr. SEYMOUR * * * * As respects the amount of money which is to be handed over to British Columbia, I refer to the \$100,000 a year in perspective, it really amounts to a capital of two millions of dollars, for the purchase of lands of which we know nothing, and of which there has been no survey or exploration. We are certainly proceeding in the dark. So far as we know only a small portion of the lands of British Columbia are fit for the purposes of cultivation. Already free grants of land have been offered, but the country nevertheless is not settled. The truth is that you cannot form settlements because there is a small proportion of lands fit for cultivation. Even admitting that one third is fit for cultivation, any person who knows anything about the land is aware that they are not accessible. We may literally hand over the sum of \$100,000, for a worthless purchase. * * If you could not derive a revenue from the fertile lands of Ontario, how can you expect to do so from this miserable region of the west? (Hear) * * * Those who talk about settling this western country are hardly awake to what they are saying. Some years ago there was a great rush to the country to prospect for gold and minerals; but all that excitement has died away, and mining is now pursued only to a small extent."

Pages 862-867.

"Hon. Mr. WARK * * * Instead of giving the people of British Columbia the \$100,000, I would capitalize it, and that would probably give them \$2,000,000 to spend in improving their communications. * * * *

"Not only would I grant them a sufficient representation, BUT I WOULD GIVE THEM ALL THE NECESSARY REVENUE FOR THEIR LOCAL REQUIREMENTS; but to bind the Dominion to construct the Railway within 10 years at whatever cost, is promising too much. * * * *

"In British Columbia, the Cascades on the Pacific Coast, the GOLD, the SELKIRK, and the Rocky Mountains, and in addition to these particular ranges, there are considerable portions of very rugged country, through which the road will pass. * * * *

Page 872.

"Hon. P. MITCHELL * * * * He further states that a very large portion of Referring to Sanborn "the territory in British Columbia is unfit for settlement;" * * *
 † Refers to Waddington, who never was 100 miles in the interior. "That gentleman (†) further states that 213 miles of the land through which it passes is of good quality and fit for settlement, and a considerable portion of it is above the average of settlement land, in Canada." * * * *

Pages 875 and 876.

"It is important in considering the ability of Canada to carry out her engagement to look at the character of the land, through which the railway runs. I have already stated the opinion of an (†) engineer of standing in reference to those in British Columbia, and in confirmation thereof I will quote from a paper read before the Royal Geographical Society of London in 1869, a description of that (*) country through which it is proposed that the railway shall run, that for 300 miles in length it runs, through "a rich plateau of cultivable soil generally heavily timbered, and capable of producing any

* Route. See Journals of Geog. Society, vol. 38 page 125-6. 1869 Waddington.

"kind of crops." In reference to this plateau, it is stated that it contains millions of acres of good ground where large tracts of land are sure to be taken up as soon as the first communications are established. The writer further observes "that the Indian horses pass the winter out of doors without fodder or stabling, the best proof that the winters are not very severe;" and while speaking of a portion of the country as rough, clearly indicates its fertile character, and adaptability for cultivation and grazing." * * * * *

April 5. Page 906.

"Hon. Mr. CHRISTIE—* * * \$100,000 for payment of land," * * * "This, added to the \$97,800 before mentioned gives the colony \$144,800, and represents the annual cost to the Dominion, over revenue, including the payment for land." * * *

Page 907.

"West of this to the Pacific, the country is almost worthless for agricultural purposes,—there is a good deal of mineral wealth, some valuable fisheries, but no farming lands. In conversation with my friend, the hon. Malcolm Cameron, I was informed by that gentleman that his own observation and all the information he could gather during a visit to that country in 1862, had led him to the conclusion that only very small proportions of British Columbia could be made available for agricultural purposes. In the small interstitial valleys, there was fertile lands; but the quantity was very inconsiderable and even those valleys were liable to inundation by the June torrents. The uplands were poor and rocky. The prairie portions were covered by a grass well-known to the Western men as "bunch grass;" unfit for pasture, and indicating a poor sterile soil. Mr. Cameron only saw two good farms in the whole country; they were on Vancouver Island, and had been made good by a large expenditure of money. On his return to Canada, Mr. Cameron gave a fair statement of the country and its resources, for which he was rewarded in strong terms in a letter, signed by some forty persons from Canada, who had emigrated to British Columbia. They declared that Mr. Cameron's statements were calculated to mislead Canadians, and were altogether too favorable to the country, which was unfit for agricultural purposes. The letter in question will be found in the *Globe* of the 18th February, 1863. It is signed by persons from many parts of Canada, and many of them well known to some of my colleagues, as persons of respectability and industrious habits, who went there as pioneers of civilisation. It is evident that money, and money alone, must build this railway." * * * * *

Page 911.

"Hon. Mr. BOTSFORD. * * * No one denies that British Columbia possesses many valuable resources,—that it has the finest coal on the Pacific coast—in itself a great element of wealth—that it has fisheries which must be a very lucrative source of commerce,—that it has gold, to an extent of which even yet we cannot form an accurate idea, besides many other minerals. What then is this great stumbling block?"

Page 917.

"Hon. Mr. ODELL. * * * With all the information before me I do not see that we can derive much revenue from the resources of British Columbia. If we are to pay the expenses of their government, and everything connected with it,—if we are to build this railway, why too are we called upon to pay \$100,000 for the right of way through the country which they ought to give freely. The mode of

"submitting the measures—the fictitious population, the disproportionate representation, five per cent on the indebtedness per head calculated on 60,000 instead of 10,000 in section 2, and the 100,000 for railway lands, are all objections, but minor objections that might be got over. Now I have come to the railway, the real stumbling block in this matter so called by the supporters of the scheme.

DEBATE ON ADMISSION OF BRITISH COLUMBIA, 1871.

Toronto Globe Report, March, 28, 1871, in Scrap Book. Lib. Parliament. Page 62

"SIR GEO. CARTIER, moved that the House go into Committee to consider a series of resolutions respecting the admission of British Columbia into Union with Canada. * * * * *

"He might now say that the terms were the same with exceptions, which had been offered to Newfoundland and Prince Edward Island. * * *

"The representatives of British Columbia wished to have their population regarded as 120,000 on the ground that that number was what was indicated by the consumption of goods as compared with the consumption in Canada. But they finally agreed to accept the basis of the actual population, namely 60,000." * * *

"The next point he would refer to was that relating to the Pacific Railway, which was as follows:—

"The Government of the Dominion undertake to secure the commencement simultaneously, within two years of the date of the Union, of the construction of a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected east of the Rocky Mountains towards the Pacific to connect the seaboard of British Columbia with the Railway system of Canada, and further to secure the completion of such railway within ten years from the date of Union.

"And the Government of British Columbia agree to convey to the Dominion Government, in trust, to be appropriated in such manner as the Dominion Government may deem advisable in furtherance of the construction of the said Railway, a similar extent of Public Lands along the line of Railway throughout its entire length in British Columbia, not to exceed, however, twenty (20) miles on each side of said line as may be appropriated for the same purpose by the Dominion Government from the Public Lands in the North West Territories and the Province of Manitoba; provided that the quantity of land which may be held under pre-emption right or by crown grant within the limits of the tract of land in British Columbia to be so conveyed to the Dominion Government, shall be made good to the Dominion from contiguous Public Lands; and provided further, that until the commencement within two years as aforesaid from the date of the Union of the construction of the said Railway, the Government of British Columbia shall not sell or alienate any further portions of the Public Lands of British Columbia in any other way than under right of pre-emption, requiring actual residence of the pre-emptor on the land claimed by him. In consideration of the land to be so conveyed in aid of the construction of the said Railway the Dominion Government agree to pay to British Columbia from the date of the Union the sum of \$100,000 per annum in half-yearly payments in advance."

"The Government did not intend to build the road themselves, but by means of companies that would have to be assisted principally by grants of one dollar lands. (Hear, hear.) The land which British Columbia would contribute for this purpose

" was valued at one dollar an acre, which would amount to \$15,360,000. For this the Government would undertake to pay \$100,000 a year to British Columbia, which was interest at 5 per cent on two million dollars. That was to say that in the purchase of these two million acres, Government would be the gainer to the extent of \$13,360,000 with which to assist the railway that would be undertaken.

" *The Government insisted upon that as a sine qua non condition.*

" *The land must be under their control in order to aid the railway.*"

" *Mr. MACKENZIE * * ** In the discussion upon the admission of Newfoundland last session, they were asked to vote \$150,000 a year, in view of the disposal of public lands to the Dominion. *He had stated that he preferred leaving the lands in the hands of the Province, because they brought in a revenue of \$3,000 a year, and cost for their management \$1,000. He took the same ground now with reference to the land grant to aid the railway through British Columbia. He believed these lands in that Province were almost valueless, though he had to confess that he was about as ignorant on that point as the government themselves (laughter.) But all the evidence they had went to show that the land west of the Rocky Mountains was of a rocky character. The Minister of Militia claimed that it was valuable for mining purposes; but now-a-days large capital was necessary for the development of mineral wealth. The very fact that there were large imports for consumption indicated that the land was not much good for farming purposes. He was bound therefore to look upon the acquisition of that colony as simply a political necessity, which he admitted was a somewhat urgent one.*"

Page 64.

" *Mr. MACKENZIE. The only valuable land available for that great purpose was from Winnipeg River to the Rocky Mountains.*"

" *West of the Rocky Mountains, the country was very rough, and it would be difficult to build a road over it.*"

" *He thought it was most unjust to lead the people of British Columbia to believe that we could complete that work within ten years, and he entered his protest against deluding these people and leading this house astray in the matter of the railway.*"

" *MR. MARSON: * * ** British Columbia offered us more than the Northwest could offer us; *for it had gold mines and coal fields.*"

" *MR. YOUNG * * ** The grant of a hundred thousand dollars on account of the lands for the Pacific was objectionable. That amount capitalized at 5 per cent, was equal to two million dollars, and brought to mind the proposition to give \$150,000 per annum to the rocks, &c., of Newfoundland two years ago.

" *MR. BLAKE * * ** It was an utterly vain expectation that the government would be able out of these lands whether the country was settled or not, to make any considerable sum of money."

" *MR. BODWELL * * ** With regard to the proposed annual payment of \$100,000 for lands from British Columbia, that was a mere pretence."

" *MR. OLIVER.—* * ** It had been proposed that thirteen million acres of land running alongside the railway should be appropriated. If so, these lands would be a constant cause of expenditure for management and surveying. (Hear, hear.) It would be better that these lands should remain in the hands of the local

"Government of British Columbia, otherwise they might pass into the hands of land speculators, a state of things which would prove ruinous to the settlement of the country. If these lands were not locked up, they would be sufficient to support a population of two millions, and it would be better that a money bonus should be given and these lands opened up to the people for settlement." * * * *

MR. ANGLIN.—* * * "*He contended that it was not open, or honest, or manly to give \$100,000 for lands along the line of railway; FOR THE MINISTER OF CUSTOMS HAD ADMITTED THAT IT WAS ONLY AN EXCUSE TO GIVE THE MONEY, AND THAT THE LANDS WERE NOT WANTED.*"

"MR. MILLS.—An open confession."

"SIR GEO. E. CARTER.—A Catholic confession."

"MR. ANGLIN.—A Catholic confession was an open and a full confession, and he wished the Government would make such a one. (Applause) * * * *
Beyond the Rocky Mountains, the country was again hilly and rocky. In reference to that point, he quoted from an article in the Victoria Colonist to corroborate what the hon. member for Lambton had said the other night with respect to the sterile character of some parts of the route. He (hon. M. Anglin) liked to be frank, and would say that the article was written to support one railway scheme against a rival railway scheme. The article spoke of the "Horrible Frazer River Country," the appalling character of the difficulties, "sterile mountains of enormous height," from which land slides perpetually in summer, and avalanches sweep down in winter, carrying all before them. The cost of the railway in these defiles would be money thrown away, and a millstone on the neck of the Dominion. These extracts of which he might read more, would serve to give some idea of the country. Now the question came up what must be the cost of the railway through such a country as that? The cost of forwarding supplies far into the interior to support the men engaged in the work must be enormous, and the wages of the men would also be very large."

* * * *
 "SIR F. HINCKS * * "He only wished to show that there were several points conceded by British Columbia and that to change the terms would re-open all these points."

Ottawa, March 31, 1871. Page 71.

"MR. MACKENZIE: * * * "He expressed his surprise that the Minister of Inland Revenue, with all the information he was able to obtain, *was not able to say that more than one-third of British Columbia, even including Vancouver Island, was fit for agricultural purposes. He (Mr. Mackenzie) believed that in reality, not more than one-fourth or one fifth was at all fit land for settlement.* He ridiculed the argument of the hon. Minister of Militia that we would get 15,000,000 acres of land for \$2,000,000; and then get an available surplus, after using the land, \$13,000,000, to be applied to extinguish the debt."

"He characterized the statement of the Minister of Inland Revenue, yesterday, in holding out hopes to British Columbia, and then stating that Parliament was master of the situation, as one of the most immoral speeches he (Mr. Mackenzie) ever heard delivered in Parliament. (Hear, hear.)

Page 72.

"MR. BLAKE * * * "The man who would vote for the proposition with the secret intention not to sink the last dollar if necessary to fulfil the obligation thus contracted was a dishonest man."
 "proposition with the secret intention not to sink the last dollar if necessary to fulfil the obligation thus contracted was a dishonest man."

* * * "Mr. Blake moved an amendment. (See Journals of the House of Commons, page 193, 1871).

DEBATE ON ADMISSION OF BRITISH COLUMBIA, 1871.

From Leader report.

THE LEADER, 29TH MARCH 1871.

"Sir GEO. CARTIER moved the House into Committee of the whole to consider the resolutions respecting the admission of British Columbia into the Union. *

* * * "He anticipated opposition on the clause relating to the railway. British Columbia was to aid it by a land grant of twenty mile sections on each side of the line, which would give twenty-five thousand square miles or 50,360 acres. It was proposed to give in return one hundred thousand dollars annually, which was only interest at five per cent. on two million dollars. Placing the value of land at one dollar per acre, it would leave over thirty-eight million dollars worth of land to aid the railway.

"Mr. TILLEY: * * * The expenses for local works would hardly amount to as much as the hon. member for Sherbrooke had estimated. Exclusive of the annual sum for a land grant of 100,000 dollars and annual expenses of government, these charges would amount to a total of 361,000 dollars. The revenue amounted to 363,400 at present and would naturally increase in the future. Even should the local government adopt our lower tariff, the revenue would reach 308,000 dollars. The 100,000 dollars were therefore in excess of the expenditure, and for which the Dominion receives a large grant of land."

"Mr. MACKENZIE: * * He spoke of the resources of British Columbia and the lands which would be conceded to the Country by the admission of that Province into the Union. He mentioned that gold mining and agriculture in that country had been a failure, and the revenue of the Colony had been derived from imports on breadstuffs imported into the Province. * * * From what information he had, the route contemplated for the Pacific Railway presented greater difficulties than any other route in the Dominion, and the country beyond the Rocky Mountains was extremely rough and forbidding. * * *

March 30, 1871.

"Mr. MORRIS:—* * * As to the quality of the land in British Columbia he had been informed by Mr. Trutch who was thoroughly acquainted with that country, that there were 22,000 miles or one hundred and forty million acres of fertile lands on the Western Slope of the Rocky Mountains." Ottawa, 31st March, 1871.

"Mr. MACKENZIE referred to the statement of the Minister of Militia that one third of the Territory of British Columbia was fit for cultivation; but he (Mr. Mackenzie) thought the hon. gentleman had not taken the trouble to inform himself on the question. It was ascertained that there was no more than one-fifth of the Province fit for farming purposes. He charged the Minister of Agriculture with endeavoring to mislead both the people of Canada and British Columbia with respect to the construction of the Pacific Railway, by entering into obligations which the government had no intention of fulfilling."

"Mr. BLAKE—(Amendment) See page 192. Journals of House 1871.

EXTRACTS FROM JOURNALS OF COMMONS, 1869, RESPECTING LANDS
OF NEWFOUNDLAND.

Journals of Commons, 1869.

Page 221.

"That in consideration of the transfer to the general government by New-
foundland of the now ungranted and unoccupied, lands, mines
Terms of Union with "and minerals of the Colony, the sum of \$150,000 shall each year
Newfoundland. "be paid to Newfoundland by semi-annual payments in advance;
\$150,000 for all un- "the colony shall retain the right of opening, constructing and con-
granted lands, of that "trolling roads and bridges through any of the said lands, and the
colony. "privilege heretofore enjoyed by the inhabitants of Newfoundland
"of cutting (free of charge) wood on the ungranted lands of the Crown, shall con-
"tinue to be exercised by them in like manner free of charge; but the aforesaid
"reservations shall be subject to such regulations, as may, from time to time, be
"passed by the Lieutenant Governor of Newfoundland in Council, and which regu-
"lations shall be subject to the approval of the Governor General in Council."
"Such surrender shall also be subject to the reservations and provisos contained
"in the 7th and 8th sections of the Act of the Legislature of Newfoundland, 7 Vic.,
"chap. 1, but these shall in like manner be at all times subject to approval as afore-
"said.

"That it shall be optional, however, for Newfoundland before entering the
"Union, to reserve to itself all the lands and rights conveyed to the General Govern-
"ment by the last preceding clause, and in that case Canada shall be relieved of the
"payment of the aforesaid sum of \$150,000 per annum."

Page 217-18.

"Mr. Blake moved an amendment, seconded by the Hon. Mr. Holton:

"That all the words after "That" to the end of the question be left out, and the
"words "by the British America Act 1867," it is in effect provided, that each of the
"Provinces by that United Act shall retain its public lands.
Lands don't yield enough "That the public lands of Newfoundland proposed to be purchased
receipts to pay for ex- "by Canada at the price of \$150,000 a year or \$3,000,000 do not
penses of management. "pay THE EXPENSES OF MANAGEMENT.

"That public lands can be managed more efficiently, economically and satis-
"factorily by the Province in which they are situate than by Canada.

"That there is no good reason for the departure from the principles of the
"British Act involved in the proposed purchase.

"That this House (while prepared in settling the terms on which Newfoundland
This expresses the will- "should be admitted into the Union to give full consideration
ingness to give N.F.L. "to any exceptional circumstances in the condition of that Pro-
as large a subsidy as she "vince) is of opinion that those terms should be so arranged as
required; but for her to "that Newfoundland shall retain all its public lands*."

* "Lands" here means the same as in B.C., and includes mountain as well as vale.

Journals of Commons, 1869.

Pages 218, 219.

"Hon. Mr. Wood moved in amendment, seconded by the Hon. Mr. Anglin.

"That all the words after *That* to the end of the Question be left out, and the words *The Resolutions be recommended to a Committee of the Whole House with instructions to amend the same by substituting the following for the 4th, 5th and 6th resolutions:*

"Whereas the Crown Domain of Newfoundland has not hitherto yielded any net revenue, and will not be likely to do so, if taken under the management of the Dominion;

"And whereas the said Crown Domain can be more economically managed by the local Government of the Island which is more immediately interested in the development of its mineral and agricultural resources:

"And whereas, it is right and just to afford to Newfoundland the means absolutely necessary for providing for the proper and efficient administration of its local Government and local affairs; THEREFORE,

"Resolved, That all lands, mines, minerals and royalties vested in Her Majesty, in the Province of Newfoundland shall belong to the Government of Newfoundland, subject to any trust that may exist in respect to any such lands, mines, minerals, and royalties, or any interests of any other persons in respect of the same."

Page 219.

"Resolved, That in consideration of the transfer to the General Parliament of the powers of taxation, and in order to enable Newfoundland to provide for its local services, and to carry on its local government, the following sums (*namely \$35,000 and \$150,000, making \$185,000*) shall be paid yearly by Canada to Newfoundland, that is to say, The said sum of \$185,000 and an annual grant equal to 80 cents per head of the aforesaid population—both half yearly in advance—such grant of 80 cents per head to be augmented in proportion to the increase of population as shewn by such decennial census until the population amounts to 400,000, at which rate it shall thereafter remain,—it being understood, that the first census shall be taken in the year 1871."

This proposes same subsidies, leaving lands to Nfld.

DEBATES ON ADMISSION OF NEWFOUNDLAND

From Globe Report, June 8, 1869.

"HON. MR. ROSE * * * *Crown Lands \$150,000.*"

"HON. MR. SMITH * * * Then we have to pay \$150,000 for Crown lands which were worth nothing. Last year, the revenue from these was \$2,500, whereas the cost was \$6,000. Yet, we here gravely propose to pay \$150,000, a year rent and manage them besides."

"HON. M. ANGLIN did not feel any desire to haggle about any terms which Newfoundland might make, or any advantages which might be conceded to them: but the land transaction for which the Dominion was asked to pay \$150,000 a year was absurd. Let Newfoundland keep her land and collect her revenues by all means. The Dominion did not need it."

* * * * *

"As to the land, he would again say, by all means let Newfoundland keep her land. If she wants to get rid of it, perhaps the Great Ontario Ship Canal Company might get it to advantage (laughter.)"

"MR. BODWELL * * * Such a proposition was as monstrous as that by which they were called on to give \$150,000 a year for the land of Newfoundland. From all he could gather these lands were of little value as mineral lands; and agriculturally were worth little or nothing."

"DR. TUPPER, * * * These terms had received the approval of the people throughout the Dominion, and the terms now submitted were substantially the same as those agreed to by the Quebec Conference. The action of the Conference was endorsed by the people, when the Ministry, at a subsequent election, were sustained by a great majority; and as part of the scheme so approved, it was agreed that the Dominion should assume the lands and mines of Newfoundland, paying a certain sum therefor; It was not now open for this House to go back

from that arrangement. THE REASON WHY THIS ARRANGEMENT WAS MADE WAS THAT NEWFOUNDLAND HAD NO SOURCES OF LOCAL REVENUE, AND IT BECAME NECESSARY TO MAKE SPECIAL PROVISION IN THIS WAY FOR ITS LOCAL SERVICES. He believed the

mineral wealth of that Island was very great, and only wanted the application of capital to be profitably developed. Suppose it was possible to drive a harder bargain with the gentlemen representing Newfoundland, he did not think it was desirable to do so, as it was important that they should come into the Union satisfied with the future opening up to them. The member for Lambton had spoken of this matter as a marriage. If so, if we were about to make a matrimonial arrangement with the fair bride of the Ocean, we should not haggle about the pin-money."

House of Commons. Globe Report, June 10, 1869.

"MR. BLAKE * * * * The proposed barter of the public lands of Newfoundland for \$150,000 a year was a sham bargain. The Dominion would never reap pecuniarily and directly any advantage from these mines and minerals * * Under these circumstances, if the choice were between giving \$150,000 a year to Newfoundland and taking her lands, and our giving \$150,000 to Newfoundland and leaving her land, he would unhesitatingly vote in favor of the latter of those two propositions. He believed the prosperity of the Colony would be largely enhanced by the adoption of the latter alternative, and the pecuniary results to Canada would be largely enhanced by it.

"HON. MR. TILLEY. * * * The majority decided that the land should remain, as far as the four Province were concerned, in the hands of the Local Legislature. BUT IT WAS NOT SO WITH NEWFOUNDLAND. In the case of that Province, they themselves suggested that their lands should be placed in the hands of the Dominion."

"MR. D. A. MACDONALD—Why?"

"HON. M. TILLEY—One of the reasons, he did not hesitate to say, was that there might be a fixed sum for local matters which they could not be sure of, if the lands were under their control and management; and now that this proposition had come from

* At Quebec and London conferences.

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"Newfoundland, he did not hesitate to say, from his experience, from the difficulties we had with settling wild lands, emigration, and with regard to the resources of the Dominion, that it was in the "public interest that all Canada lands should be placed in the hands of the Dominion." * *

* * * * *
"HON. MR. ANGLIN, said that it was quite possible that in the Quebec Conference the resolution to give the £30,000 was adopted as a payment to the Province to carry on its local affairs. * * *

"HON. MR. WOOD thought the important question was this: what sum would be required by Newfoundland to carry on its local services? That sum being once ascertained, Canada should freely give it. * * The only part of the scheme he objected to was this: As to public lands, he would much prefer that Newfoundland would keep her own lands, and with that view he would not object to the special subsidy being made \$185,000 instead of \$35,000.

"SIR JOHN A. MACDONALD said if he believed Mr. Blake's amendment carried out the views expressed by the hon. gentleman who had just sat down, he could almost be disposed to accept it; but he looked upon it as intended to defeat the whole scheme of union with Newfoundland." * * *

"SIR JOHN A. MACDONALD.—* * * If the hon. member (Blake) were to say more—that the House was willing to give an additional subsidy of \$150,000, but would not claim THE LANDS as a consideration in return, that would be a fair and candid motion; but the amendment he had actually submitted did not put the question in that light."

MR. MACKENZIE. * * He was prepared to give whatever sum was necessary, on a fair calculation, to carry on the local government of the Island, but he was not prepared to assume the responsibility of these lands, in order to give a premium to Newfoundland."

APPENDIX.

" An Act to authorize the grant of certain Public Lands to the Government of the Dominion of Canada for Railway purposes.

" WHEREAS it is expedient to provide for the grant of Public Lands to the Dominion Government, required for a Railway between the Town of Nanaimo and Esquimalt Harbour ;

" Therefore Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows :—

" 1. From and after the passing of this Act, there shall be and there is hereby granted to the Dominion Government, for the purpose of constructing, and to aid in the construction of a Railway between the Town of Nanaimo and Esquimalt Harbor, in trust to be appropriated in such manner as the Dominion Government may deem advisable, a similar grant of Public Lands along the line of Railway before mentioned (not to exceed 20 miles on each side of the said line) as may be appropriated for the same purpose by the Dominion from the Public Lands of the North West Territories and the Province of Manitoba, as provided in the Order in Council, Section 11, admitting the Province of British Columbia into Confederation ; such grant to be subject otherwise to all the conditions contained in the said 11th Section of the Terms of Union.

* * * * *

" 7. This Act may be cited as the Esquimalt and Nanaimo Railway Act, 1875."

An Act to authorize the grant of certain Public Lands on the Mainland of British Columbia to the Government of the Dominion of Canada for Canadian Pacific Railway purposes.

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows :

1. From and after the passing of this Act, there shall be, and there is hereby granted to the Dominion Government for the purpose of constructing and to aid in the construction of the portion of the Canadian Railway Line located between Burrard Inlet and Yellow Head summit, in trust, to be appropriated in such manner as the Dominion Government may deem advisable, a similar extent of public lands along the line of railway before mentioned (not to exceed twenty miles on each side of the said line) as may be appropriated for the same purpose by the Dominion from the public lands of the North-West Territories and the Province of Manitoba, as provided in the Order in Council, section 11, admitting the Province of British Columbia into Confederation. The land intended to be hereby conveyed is more particularly described in a despatch to the Lieutenant-Governor from the Honourable the Secretary of State, dated the 31st day of May, 1878, as a tract of land lying along the line of said railway, beginning at English Bay or Burrard Inlet and following the Fraser River to Lytton ; then by the Valley or the River Thompson to Kamloops ; thence up the Valley of the North Thompson, passing near to Lakes Albreda and Cranberry, to Tête Jaune Cache ; thence up the Valley of the Fraser River to the summit of Yellow Head, or boundary between British Columbia and the North-West

Territories, and is also defined on a plan accompanying a further despatch to the Lieutenant-Governor from the said Secretary of State, dated the 23rd day of September, 1871. The grant of the said land shall be subject otherwise to the conditions contained in the said 11th section of the Terms of Union.

2. This Act shall not affect or prejudice the rights of the public with respect to common and public highways existing at the date hereof within the limits of the lands hereby intended to be conveyed.

3. This Act may be cited as "An Act to grant public lands on the Mainland to the Dominion in aid of the Canadian Pacific Railway, 1880."

CORRESPONDENCE

With reference to the transfer of Railway Lands to the Dominion.

By Command.

T. BASIL HUMPHREYS,
Provincial Secretary.

PROVINCIAL SECRETARY'S OFFICE,
4th May, 1880.

Mr. Trutch to the Attorney General.

VICTORIA, B. C., April 14th, 1880.

SIR,—His Honor the Lieutenant-Governor having referred me to you as authorized to receive, on behalf of the Government of British Columbia, communications, from me, as Agent of the Dominion Government, on the subject of the adjustment and transfer to the Dominion of the lands granted by the Province of British Columbia, under the "Term and Conditions" of Union, in aid of the construction of the Canadian Pacific Railroad, I beg to lay before you the following statement of the views of the Dominion Government on this matter, and more particularly in regard to the selection of the lands to be transferred, which views I had the opportunity of verbally submitting more fully for your consideration at the interview I had the honour of having with you this morning.

There is reason to believe that the character of the land for a very considerable distance along the line of the Canadian Pacific Railway, as located in British Columbia, is such as to be altogether unsuited for agricultural purposes, and, therefore, valueless for the object contemplated at the time the Province was admitted into the Confederation, which was, that the lands proposed to be transferred to the Dominion should be laid out and sold to aid in the construction of the road.

The portion of Section 11 of the "Terms and Conditions," on which the Province became a part of the Dominion, which refers to the grant of land to be made by the Province for the purpose of the railway, is as follows:—

"And the Government of British Columbia agree to convey to the Dominion Government, in trust, to be appropriated in such manner as the Dominion Government may deem advisable, in furtherance of the construction of the said Railway, a similar extent of Public Lands along the line of Railway throughout its entire length in British Columbia, not to exceed, however, Twenty (20) Miles on each side of said line, as may be appropriated for the same purpose by the Dominion Government from the public lands in the North-West Territories and the Province of Manitoba,

" Provided that the *quantity* of land which may be held under Pre-emption right of
 " by Crown grant within the limits of the tract of land in British Columbia to be so
 " conveyed to the Dominion Government, shall be made good to the Dominion from
 " contiguous Public Lands; and, provided further, that until the commencement
 " within two years, as aforesaid, from the date of the Union, of the construction of
 " the said Railway, the Government of British Columbia shall not sell or alienate
 " any further portions of the Public Lands of British Columbia in any other way
 " than under right of Pre-emption, requiring actual residence of the Pre-emptor of
 " the land claimed by him. In consideration of the land to be so conveyed in aid of
 " the construction of the Railway, the Dominion Government agree to pay to British
 " Columbia, from the date of the Union, the sum of 100,000 Dollars per annum, in
 " half-yearly payments in advance."

In view of the statement made in the preceding paragraph, it now becomes necessary that an understanding be arrived at with the Government of the Province by which the Dominion may receive an equal area of lands available for farming or economical purposes in lieu of those which, on investigation, may be found to be unavailable within the forty-mile belt, and the Dominion Government urgently request the concurrence of the Government of British Columbia in the following arrangements: *i. e.*, That such territory situate within the forty-mile belt referred to in the section of the "Terms and Conditions" above quoted as may be found on a thorough examination and investigation useless for farming or other valuable purposes, may not be regarded as properly forming part of the land consideration to be received by the Dominion, but that the same be eliminated from the area in the belt described, and that an equal area of land suitable for farming or other valuable purposes be selected elsewhere in the Province in lieu thereof. The area to be selected outside of the belt mentioned should, in addition, include a quantity of land to represent that in the Fraser River Valley and elsewhere along or in the vicinity of the Railway line which may be found to have been already disposed of by the Province, or with regard to which valid claims may be preferred, as also to cover the deficiency caused by the International Boundary on the Mainland and the coast line on Vancouver Island respectively falling within the forty-mile belt.

The Dominion Government cannot doubt that the Provincial Government will consider itself pledged in good faith in view of the whole circumstances, and of the actual money consideration stipulated for in the section of the "Terms and Conditions" above cited, and which has been regularly paid, to place the Dominion Government in possession of land elsewhere in lieu of the corresponding area within the railway belt, which may be found to be useless for agricultural or other valuable purposes.

In accordance with these views, and acting as the Agent of the Dominion Government, duly accredited to the Government of British Columbia under authority of the Order in Council, dated the 25th February last, a copy of which has been received by His Honor the Lieutenant Governor, I have the honor to prefer the request that the right above defined of selecting lands outside of the forty-mile belt in lieu of lands within that limit which, on investigation, shall be found to be valueless, and to supply the deficiency caused by the International Boundary on the Mainland and the coast line on Vancouver Island respectively falling within the forty-mile belt, be specifically conveyed to the Dominion by the insertion of provisions to that effect in the "Railway Lands Reservation Bill," now under consideration in the Legislative Assembly.

I have, etc.,

(Signed)

JOSEPH W. TRUTCH.

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